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## END OF CHINA'S "DEMOCRATIC PARTIES"

By Professor Harold C. Hinton

Although government by a Communist-led coalition of "democratic parties" is a common feature both of the East European satellite systems and of Maoist China's "people's democratic dictatorship," probably no Communist party has applied this formula for the masked exercise of single-party rule so assiduously and effectively as have the Chinese Communists. During 1957, however, the purges of Chinese democratic party leaders which marked the CPC's all-out "rectification" and "anti-rightist" drives clearly exposed the false pretense of shared authority and called into question the whole future of the democratic parties' "co-existence" as allies of the CPC. It is timely, therefore, to review the evolution of this feature of Maoist rule, particularly as it clarifies the implications and dangers of the "parliamentary path to socialism" currently stressed in Communist world strategy.

Essentially, the Chinese formula for wielding power through a multi-party "democratic front" merely carries over into the present transitional stage of China's socialist revolution the basic elements of the old "united front" strategy as applied by Mao Tse-tung in the conquest of power. Mao enunciated this strategy for China in 1935, when he discerned in the promotion of a broad popular movement of national resistance to Japan the best means of expanding Communist influence and accomplishing the eventual overthrow of the Kuomintang. Addressing a conference of party cadres, he declared: "The task of the party is to form a united national revolutionary front by integrating the activities of the Red Army with all the activities of

the workers, peasants, students, petty bourgeoisie, and the national bourgeoisie of the whole country."

Just as the timing of this pronouncement reflected the current international strategy of Moscow, so Mao's version of the united front was not original. The idea had first stemmed from Lenin, under whose influence the Second Comintern Congress of 1920 had directed Communist parties in "colonial and semi-colonial" countries to enter into alliance with "national revolutionary" elements, including both the peasantry and such elements of the bourgeoisie as were opposed to Western "imperialism." In line with the Comintern directive, the new-born Chinese Communist Party had bodily joined the Kuomintang, enabling Stalin to define the latter, in 1926, as a "bloc of four classes"—"workers, peasants, intelligentsia, and urban petty bourgeoisie." This early united front collapsed, however, and it remained for Mao to revive, broaden, and apply the concepts of Lenin and Stalin to China with a skill and flexibility peculiarly his own.

In Mao's hands, the united front strategy proved to be a weapon of enormous value to the Chinese Communists, exceeded in importance only by armed struggle. During the period leading up to the 1937 outbreak of war with Japan, it enabled them to pose as the principal champions of national unity against aggression. Again, after 1945, it helped them to isolate the Kuomintang and to render large numbers of people, especially among the intellectuals, the liberally inclined elements of the bourgeoisie, and the peasants, first benevolently neutral, then actively sympathetic toward the Communists.



Meanwhile, as early as 1939, Mao's writings began to indicate that the united front principle would still be applied after the Communists had gained control of the state. The next stage of the Chinese revolution, he announced, would be functionally equivalent to the orthodox Marxist "bourgeois democratic" stage, but it would be of a new type which he called "new democracy." Its form, Mao explained, would be neither a bourgeois dictatorship nor a pure proletarian dictatorship, but rather "a dictatorship of the united front of all revolutionary classes under the leadership of the proletariat"—this last term clearly implying control by the Communist Party as the Leninist "vanguard of the proletariat." Soon afterward, Mao defined the "revolutionary classes" as consisting primarily of the proletariat, the peasantry, and the petty bourgeoisie (including intellectuals). The national bourgeoisie might also be allowed to participate, he indicated, but it had a dual or vacillating character and consequently was capable of either supporting the revolution or opposing it.

Mao's formulation of the united front under "new democracy" was, of course, couched in typical Marxist terms of social classes rather than political parties. It is not difficult, however, to translate his "revolutionary classes" into general party terms. Obviously, the Communist Party would be exclusively entitled to represent the proletariat; and the same would undoubtedly hold for the peasantry in view of the fact that the CPC, during Mao's ascendancy (after 1935), had laid particular stress on making itself the champion of the peasant cause. Hence, it is reasonable to assume that any non-Communist parties to be admitted to the future united front would be organs of the bourgeoisie, either petty or national. (This has, in fact, been the case since 1949).

Though military allies against Japan, the Communists and the Kuomintang remained political enemies. Consequently, in the hope of securing an opening wedge—at no further cost in blood—toward the realization of his 1939 blueprint for a "new democracy" under proletarian (CPC) leadership, Mao in 1944-45 made new united front overtures to the Kuomintang, proposing the creation of a unified provisional democratic coalition government for all of China, embracing all parties and groups including the Communists. The postwar negotiations for this purpose collapsed, however, and the Communists reverted to the ultimate weapon of armed struggle.

Mao again turned to the question of the future political structure and program in 1949, not long before the formal establishment of Communist rule. The structure itself, though remaining essentially that of "new democracy," was now given the more pronouncedly Leninist label of "people's democratic dictatorship." At the same time, the program became more avowedly Stalinist in that it envisaged the three main essentials of Stalin's formula for "socialism in one country": collectivization of agriculture, the building up of heavy industry, and establishment of a party-controlled police state.

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In theory, ruling power was to be exercised by "the people," defined by Mao as a united front of the proletariat, peasantry, petty bourgeoisie, and national bourgeoisie, under the leadership of the proletariat. Although still regarded as vacillating, the national bourgeoisie (mainly private businessmen and capitalists, excluding those tainted by connections with foreign capital) was evidently considered indispensable to economic progress, and therefore included among "the people." Mao again made scarcely any reference to the non-Communist "democratic parties" then in existence. While their place in the new structure thus remained uncertain, it was at least a reasonable inference that the bourgeois elements taken into the united front would enjoy some kind of political representation, though this would presumably last only until full "proletarian dictatorship" or socialism was achieved.

Mao's designation of the new structure by the term "people's democratic dictatorship" instead of "people's democracy," the accepted Soviet term applied to the East European satellite regimes, was evidently deliberate and had significant theoretical as well as practical implications. These become clearer in the light of the change in the Soviet definition of "people's democracy" which came in 1948. Prior to 1948, Soviet theorists held that the East European satellites were under "proletarian hegemony" but not under "proletarian dictatorship"—the distinction evidently reflecting the considerable degree of political autonomy left to the non-Communist democratic parties in the 1945-48 period. With the virtual elimination of these parties as independent organs after 1948, however, Moscow redefined "people's democracy" as equivalent to "proletarian dictatorship," though in an early phase corresponding to the NEP period (1921-28) in the Soviet Union. Thus, Mao's careful avoidance of both these latter terms in favor of his own "people's democratic dictatorship" implied that the Chinese Communists' projected structure would—at least in theory—diverge from the post-1948 Soviet satellite pattern in the sense of greater political participation for the non-proletarian (non-Communist) elements of the united front.

A first step toward reconciliation of this theoretical difference was taken in September 1954, when the preamble to the new Chinese Communist constitution equated the concepts of "people's democracy" and "new democracy" (still used interchangeably with "people's democracy dictatorship"). In February 1956, a still closer reconciliation was made possible by Soviet statements at the Twentieth CPSU Congress which, in effect, invited the CPC to interpret the term "dictatorship of the proletariat" as it liked, as long as it recognized its applicability to China. This the CPC did in its first published statement on the question of "destalinization" (Jen-min jih-pao, April 5, 1956). Again, in



September 1956, Liu Shao-ch'i, next to Mao the leading party theoretician, told the CPC Eighth Congress that people's democratic dictatorship, "in its essence, can only be the dictatorship of the proletariat."

Let this be interpreted as spelling the impending elimination of the non-Communist minor parties and the end of the united front, however, Liu added that the latter would continue to exist. Even more, the CPC began about this time to propagate the line that its relations with the minor parties would be governed by the principle of "long-term co-existence and mutual supervision." Indeed, a Jen-min jih-pao editorial on the opening day of the Eighth Congress (September 15, 1956) went so far as to indicate that co-existence would continue even beyond the attainment of socialism. "So long as the Communist Party exists," it unequivocally stated, "the other democratic parties will continue to exist."

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From all this it is obvious that the Chinese Communist leadership has deemed it of the utmost importance to establish and maintain the facade of a multi-class and multi-party united front to conceal the reality of single-party totalitarian dictatorship. There are a number of reasons for this. First of all, an outright betrayal of Mao's democratic promises made to the Chinese people before 1949 would have done the CPC much more harm than good: it sorely needed, and still needs, the intellectual, financial, administrative and other skills possessed by many non-Communists. Also, the party stood to gain public confidence by enlisting the collaboration, through the medium of the united front, of already known and respected democratic party figures; and the inclusion of bourgeois elements in the "ruling" coalition had the advantage of associating them with the planned socialization of the economy and thus putting them in the position of serving as their own grave-diggers. Finally, preservation of the united front has offered a standing, if illusory, assurance to the Kuomintang on Taiwan and to overseas Chinese generally that there is a place for non-Communists in the public life of the "New China."

If the number of "democratic party" organizations were a reliable criterion of their political role, that role would be not just theoretically but actually much greater than in the East European satellites. There are no less than eight minor party organizations which have "accepted the leadership" of the CPC and, in return, are recognized by it:

1. The Revolutionary Committee of the Kuomintang, formed at Hongkong early in 1948 by political defectors from the Kuomintang.

2. The China Democratic League, descended from the old Democratic League in Kuomintang China, which was outlawed by the National Government in 1947. Composed largely of intellectuals and organized at Hongkong in January 1948, it is the most important of the minor parties.

3. The China Democratic National Construction Association, a descendant of one of the component groups of the old Democratic League, and composed of businessmen.

4. The Chinese Peasants and Workers Democratic Party, in reality a misnomer since its members are largely intellectuals, also descended from a component of the old Democratic League.

5. The China Association for Promoting Democracy, another liberal intellectual group, formed in 1946.

6. The China Chih Kung Tang, in effect a reorganized Chinese branch of an older, now defunct organization of overseas Chinese.

7. The Chiu San (September 3rd) Society, an intellectual group formed in 1946.

8. The Taiwan Democratic Self-Government League, an organization of Taiwanese living in Communist China.

Little has been published in Chinese Communist sources regarding the exact size of these organizations, but their memberships are known to be small. Soon after the new regime was installed, the CPC forbade them to try to build up a mass following, and in 1951 it specified the groups from which each might recruit members. Minor party members are not encouraged—and probably not even allowed—to join the CPC; but the latter, on the contrary, can and does plant its own members, both overt and covert, in the minor party organizations to watch over their activities. (This last revelation, again referred to later, came to light during the 1957 "rectification" campaign).

There are three principal power structures in Communist China: the CPC, the governmental apparatus and the armed forces. From the first—and also the most important—of these, the minor parties are excluded by definition; in the other two, however, they have been accorded a numerically prominent, though actually not very influential, place. In 1949, half of the vice-chairmanships and ordinary seats on the Central People's Government Council (CPGC), then the highest governmental body, were awarded to leading minor party figures and a sprinkling of persons without party affiliation. In the Government Administration Council (equivalent to a cabinet, or council of ministers) they held two out of five vice-premierships and about two-fifths of the ministerial portfolios, the latter limited however to posts of lesser importance. As for the military structure, the ratio of non-Communists on the People's Revolutionary Military Council, the highest defense organ, was considerably smaller: only one out of seven vice-chairmen, and six out of 20 ordinary members.

The reorganization of the governmental structure accompanying the adoption of the 1954 constitution did not appreciably alter the non-Communist representation. On the Standing Committee of the National People's Congress, which superseded the old CPGC, seven out of 12 vice-chairmen have been non-Communists. In the State Council (cabinet), there have no longer been any non-Communist vice-premiers, but the proportion of non-Communist ministers has remained approximately the same as before 1954 (that is, at least up till February 1958). On the National Defense Council, which replaced the People's Revolutionary Military Council, four out of 15 vice-chairmen and 26 out of 81 members were non-Communists until the recent elimination of Lung Yun and Huang Ch'ih-shiang as alleged "rightists"; at present the non-Communist representation is one less in each category.

Mention should also be made of the Chinese People's Political Consultative Conference (CPPCC), established in 1949 and theoretically the representative organ proper of the united front. It consists of hand-picked delegates from the CPC, the democratic parties, the armed forces, mass organizations, overseas Chinese, national minorities, cultural and vocational groups, and geographical constituencies. For all its broadly representative character, however, the CPPCC has little real authority, serving mainly as just another forum at which the CPC expounds its policies and the other elements are given the "opportunity" to voice their approval.

Apart from the primary propaganda benefit which accrues to the Communists from the mere existence of the minor parties as a testimonial to the "genuineness" of the united front, these parties also serve the CPC as active propagandist and policy-implementation agencies. In 1949-50, all of them adopted platforms pledging support of the policies and objectives of the CPC, and their subsequent actions have clearly indicated that they are not allowed to have any programs or goals except those of an implementary character. They hold periodic national congresses whose principal business is to adopt suitably enthusiastic resolutions endorsing the CPC's current programs, policies, or propaganda themes—such as domes-



tic economic drives or plans, the "germ warfare" charges of the Korean war period, and "liberation" of Taiwan.

Such support is of particular value in cases where the CPC policy in question is actually detrimental to the very classes or groups which the minor parties represent. On October 1, 1955, for example, minor party spokesmen publicly hailed the CPC's recently-launched program of accelerated "transition to socialism," despite the fact that this involved stripping the national bourgeoisie of its remaining privileges and economic base. Another case in point was the action of the minor parties in joining the 1955 campaign of denunciation against the writer, Hu Feng, in spite of its unhappy implications for non-Communist intellectuals so heavily represented in their own ranks.

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Hopes that the democratic parties might achieve something more than a mere puppet role received some stimulus with the CPC's inauguration, in the spring of 1956, of a modest "destalinization" program in keeping with the atmosphere generated by the Twentieth CPSU Congress. Promises of more liberal treatment were made to workers, peasants, businessmen, and especially to intellectuals whom the CPC, in accordance with Mao's new "hundred flowers" policy, invited to "bloom and contend," that is, to speak their minds on public affairs provided their utterances did not conflict with "the consolidation of the people's regime."

The older intellectuals, however, remained discreetly silent, presumably because they were not certain of the Communists' sincerity and of how far they could safely go. The students, on the other hand, were less restrained: many took part in strikes and demonstrations of protest against rigid discipline, inadequate educational facilities, and bad living conditions. The minor parties, for their part, began to nourish ideas of expanding their followings and acquiring the mass base hitherto denied them; but it is extremely unlikely that any of their leaders seriously hoped to challenge the supremacy of the CPC, as the regime later charged.

The Polish and Hungarian crises in the autumn of 1956 intensified the ferment in Communist China. At first, the CPC seemed inclined to pull back from its slightly liberalized policies, but in the end the party leadership evidently decided that it would be wiser to adhere to the "hundred flowers" prin-

ciple and encourage the public to air its grievances in the open, thus providing a safety-valve for letting off pent-up steam. Such a public debate, the leaders calculated, could also be useful as the starting-point for a new "rectification" campaign within the CPC itself, for the purpose of correcting deficiencies in the party's "working methods." Since the last rectification drive in 1942, the party had grown enormously (to about 11,000,000 members) and, by Liu Shao-chi's own admission at the Eighth Party Congress, contained many insufficiently indoctrinated individuals.

To induce the still reticent intellectuals to speak up, however, a further initiative by the CPC was obviously required. It came in the form of Mao's major speech of February 27, 1957, in which, among other things, he stated that "contradictions" (conflicts of interest or opinion capable of being resolved through accommodation) are inevitable and even desirable in a socialist society as long as they are prevented, by means of open public discussion, from worsening into "antagonisms" soluble only by conflict. (The contents of the speech, delivered at a Supreme State Conference, were generally known among high-level CPC, government, and democratic party officials, although not officially published until June). A few days after Mao's pronouncement, the CPC announced plans for the staging of a nationwide rectification campaign.

Even Mao's speech brought forth no noteworthy signs of "blooming and contending" from those minor party leaders who were aware of it. At a session of the Standing Committee of the CPPCC (March 5-20), nothing but the usual platitudes came from the non-Communist representatives: even Chang Po-chun, a leading democratic political and government minister, later to be purged as an "arch-rightist," said nothing to which the CPC could have objected. Only after still further prodding, notably the publication of an editorial in the central party organ summarizing the gist of Mao's February 27 speech, and an encouraging speech by P'eng Chen, member of the CPC Politburo, did the minor party members and intellectuals generally begin to speak their minds more frankly.

The major developments occurred at a forum of prominent minor party members and non-party individuals, staged by the United Front Work Department of the CPC Central Committee between May 8 and June 3. In contrast to his earlier reticence, Chang Po-chun now complained that the CPC



dominated the government so completely that non-Communist officials had difficulty exercising any authority or obtaining promotion; he further criticized the practice of burdening non-Communist officials with so many concurrent functions that they could handle none of them properly. Chang Nai-ch'i, of the Democratic National Construction Association, condemned the "sectarianism" and "dogmatism" of many CPC members and denied the party's contention that the bourgeoisie needed intensive ideological remodeling. Lo Lung-chi, of the China Democratic League and also a cabinet minister, criticized the CPC for pushing too rapidly toward socialism and for excessive severity in dealing with suspected "counterrevolutionaries." A later report credited him with disclosing, and protesting against, the CPC's practice of planting secret as well as admitted Communists in the minor parties. Other spokesmen questioned the genuineness of the CPC's professed policy of "co-existence" with the democratic parties, claiming that "co-existence" implied a reasonable degree of equality, not complete Communist domination.

Curiously enough, the CPC kept silent throughout May, allowing the criticisms to be reported in the press without any evident restriction. Later, it claimed that its initial restraint had been deliberate, that it had fully anticipated what the critics would say and was merely trying to draw them out. This seems highly unlikely in view of the fact that the criticisms of the minor party leaders were such as virtually to destroy the CPC's sedulously cultivated myth of the united front. It appears far more probable that the Communist leadership was taken by surprise and was momentarily divided over how to deal with the situation. In the end, it decided that the criticisms constituted a threat to its leadership too serious to be tolerated, and that the critics must be put down sternly, even at the cost of further underlining the falsity of the united front.

Early in June the party launched a furious offensive against its critics, now labeled as "rightists" seeking to overthrow the CPC and socialism. Soon thereafter, on June 18, Mao's speech of February 27 was at last published, turning out to contain the proviso that criticism, to be admissible, must satisfy six criteria, of which the most important was that it must not weaken the leadership of the CPC or challenge the validity of its chosen "path to socialism." (The fact that the Jen-min jih-pao editorial of April 13 summarizing Mao's original speech had made no mention of these criteria strongly suggests that they were a later addition to the finally published version. Had they been in the original, it also seems probable that the critics would have been far more circumspect.)

Although it was still doubtful, at least on the basis of the criticisms reported prior to the start of the "anti-rightist" campaign, that the critics had violated Mao's six criteria, the CPC strongly insisted that they had. In any event, to clinch the case against them, the party press now credited them with having assailed the CPC in much more violent terms than had been reported at the time. During the succeeding weeks, the "rightists" were vehemently denounced at "spontaneous" public meetings, especially at "struggle" meetings staged by their own professional groups, minor party organizations, and (where appropriate) by their fellow delegates to the National People's Congress, which began its annual session on June 26. Subjected to intense psychological pressure, most of the accused soon began to make public "confessions" and at least partial retractions. This evidently saved them from physical punishment, although the threat of possible criminal action against them was implicit in a Jen-min jih-pao editorial of September 15, 1957, which labeled the "rightists" as "reactionaries"—just one step short of the criminal category of "counter-revolutionaries."

Most, if not all, of the accused "rightists" in the democratic parties have since been removed from their party posts

as well as their positions in the government and various public organizations. The three central figures in the alleged "conspiracy" against the party—Chang Po-chun, Chang Nai-ch'i, and Lo Lung-chi—were dismissed from their ministerial posts in a reorganization of the cabinet approved by the National People's Congress at its February 1958 session. Chang Po-chun's successor as Minister of Communications is a Communist, Wang Shou-tao, but the Ministry of Food (formerly under Chang Nai-ch'i) and the Ministry of Timber Industry (formerly under Lo, but now merged with the Ministry of Forestry) remain headed by non-Communists. The proportion of non-Communist ministers in the State Council has thus been only slightly reduced, though their influence has probably suffered much more as a consequence of the intimidation brought to bear by the anti-rightist struggle.

In addition to the cabinet changes, some 50 "rightists" were deprived of their seats in the National People's Congress in February, and about 20, including the three "rightist" ex-ministers, were subsequently suspended from the CPPCC. The editorial staffs of Kwang-ming jih-pao and Wen Hui Pao, both newspapers regarded as representing the viewpoint of the minor parties, have been "reorganized" to rid them of "rightist" tendencies. Finally, many of the "rightists," though not formally sentenced to forced labor, have been constrained to take up manual jobs in the countryside as a means of imbibing the socialist viewpoint.

If the Chinese Communists have treated the "rightists" with something less than Stalinist severity, they have nonetheless effectually crushed them. This is by no means pure gain, however, since the minor parties now stand branded unmistakably as puppets, and the united front as a fraud. Still, the CPC continues to give every indication of attempting to preserve the myth. It takes the line that, although the minor parties are basically "bourgeois" in character and outlook and thus need to undergo extensive "socialist remodeling," the principle of "long-term co-existence and mutual supervision" will continue to govern the CPC's relations with them.

For their own part, the minor parties have recently given ample evidence that they have learned their lesson. The month of March witnessed a series of large-scale demonstration meetings at which minor party spokesmen pledged themselves to transform their bourgeois viewpoints into that of socialism as speedily as possible, some even mentioning a time-limit of three years. These demonstrations culminated on March 16 in a huge joint rally of all the minor party organizations, which formally adopted a "charter for the socialist self-remolding of the democratic parties and non-party democrats." The charter proclaimed the following as the democratic parties' goals: "To reform their political standpoint, devotedly and resolutely taking the path of socialism under the leadership of the Communist Party; to be loyal to the socialist system, faithfully carrying out the state's policies and laws, and wholeheartedly contributing their knowledge and strength to the nation's construction; to study from the workers and peasants through practical work, establishing a proper attitude toward physical labor and actively developing the ideology and sentiments possessed by the working people; to study Marxism-Leninism and the advanced experience and technique of the Soviet Union; to carry through the policy of letting the hundred flowers bloom, the hundred schools of thought contend; to accelerate self-education to provide conditions for long term co-existence and mutual supervision, and firmly to carry out the united front policy in the service of socialism."

Evidently these fulsome promises satisfied the CPC's demands, for Jen-min jih-pao, in an editorial the next day (March 17), hailed the "determination" of the minor parties, and of

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## PAST AND FUTURE OF JAPAN'S CHEMICAL INDUSTRY

The high speed of postwar rehabilitation and growth of Japanese economy are considered to be most conspicuous among the nations of the Free World, side by side with that of West Germany. Among all industrial categories, the chemical industry is listed among those whose expansion rates have been in the highest bracket. The production for 1957 reached approximately 2.7 times the prewar level of 1934-36. This is tantamount to saying that during the entire postwar period, Japanese chemical industry continued to grow as fast as by 28.1 per cent annually. A very high rate of 40 per cent per annum was maintained in particular for several years up to 1950, this interim being considered to be the first stage of the recovery period.

In 1946, one year after the termination of World War II, the production of the chemical industry had been reduced to less than one-quarter of the prewar scale due to ravages of war, the conversion from wartime production to peacetime management, and difficulties of obtaining raw materials, etc. The Japanese chemical industry, which planted its feet firmly on the ground with World War I as momentum, reached its prewar zenith in 1939 centring around the synthetic fertilizer and dyestuff divisions. In that year, it, together with Germany, ranked only second to the United States in the production of sulphuric acid; attained second position in the world in the output of rayon and nitrogenous fertilizer; and reached third place behind the United States and Germany in the production of soda ash. This chemical industry of Japan was in a moment thrown into the nadir of adversity.

The postwar chemical industry was forced to embark upon the task of rehabilitation. Among all chemical industry categories, the highest priority was placed in the rehabilitation of the chemical fertilizer division. At the time, the supreme *sine qua non* was the raising of agricultural production . . . which had dropped to an extremely low level . . . in order to cope with the acute postwar food shortage. Chemical fertilizer industry was designated as one of the "priority industries" side by side with coal and iron and steel and the so-called production priority system . . . to seek recovery by using key industries as levers . . . was initiated. The chemical industry was able to forge rapidly ahead toward recovery under such a priority production system.

Of all chemical divisions, the ammonium sulphate industry as early as in 1949 attained a production level about equal to 1,240,000 tons, the highest prewar level reached in 1941. In such a manner, the inorganic chemical industry, centring around the fertilizer division, recovered rapidly. Fertilizer control was abolished in mid-1950 because its production increased and its supply was no longer a problem.

In order to place postwar inflation under control, the so-called "Dodge Plan" deflation measures were enforced from 1949 to 1950. As a result, Japanese economy slumped temporarily but the Korean War which broke out in June, 1950, brought about the "Korean War Boom". Not only was this boom instrumental in creating a sharp production upswing (increase of 50 per cent compared with the previous year) in the chemical industry as a whole, but also brought about production increases in dyestuffs, synthetic resin, oil and fat products, etc. whose recovery had been delayed, rather than in chemical fertilizer which had recovered at a rapid pace in the past. Thus the boom was significant in rectifying the imbalance existing in the inner structure of the chemical industry. However, the passing of the Korean War at the end of 1951 left behind such consequences as the general increase of the inventory and the prevalence of idle

capacity. Problems which came into focus, subsequent to the termination of the rehabilitation period extending over five years, were as follows:

First, chemical products were weak in international competition because the rationalization in respect to quality and price became out of focus in the haste of seeking production increase as an imperative need. Second, the keen realization of the need of paying attention to new products, new raw materials and new processing which had risen on the tide of technical revolution sweeping the postwar world. Third, chemical enterprises suffer from a shortage of accumulated capital necessary for advancing such rationalization and for the exploitation of new fields.

It was also the chemical fertilizer division which felt most directly the necessity of rationalization. Fertilizer met domestic demand and began to have room for export in 1950. However, export markets were not opened up quickly and the 1952 year-end inventory ammonium sulphate reached 240,000 tons (equivalent to about two months of production). It was barely possible for the producers, suffering from inventory pressure, to tide over this situation by exporting to India.

It is a recognized fact that Japanese economy can only live on international trade. The textile industry, whose products constituted Japan's prewar staple item of export, confronted a situation in which it could not place much hope in future owing to the decline of raw silk export resulting from the rise of nylon during the war years, the emergence of textile industries in underdeveloped countries, and other reasons. As a natural result, it was inevitable that great expectations came to be placed on the future of the chemical industry as well as the heavy industry. It was natural that within these two groups the highest hope was placed in the nitrogenous fertilizer division, in the belief that it could contribute much toward the agricultural development of neighboring Far Eastern area and also for the reason that its competitive power was fairly low.

Under such circumstances, the rationalization of the ammonium sulphate industry was taken up as one of the basic problems in the attainment of Japan's economic growth. After a year of deliberations, the five-year ammonia industry rationalization programme was formulated and relevant laws and regulations were duly provided. Though this program has been subsequently revised, the target was to expand the production capacity of ammonia from 2,892,000 tons (in terms of ammonium sulphate) at the beginning of the initial year 1953 to 3,777,000 tons within a five-year period and to reduce production cost from \$65 per ton at that time to \$50 per ton. Granted that the production cost is lowered to the \$50 level, it would not necessarily mean a decline to the world level. The logic underlying the programme is that Japan would be able to cope with foreign competitions in nearby zones if the freight differentials from Europe and America, on one hand, and from Japan, on the other, to Far Eastern areas are taken into consideration. This programme has achieved considerable results up to the present by the unremitting efforts of the circles concerned despite the shortage of funds.

When the actual course of rationalization is observed from 1953 to 1956, priority had been placed in the converting of the form of fertilizer. After 1956, the emphasis was gradually shifted to full-scale rationalization, including the adjustment of relationships with other industries as will be explained in subsequent paragraphs. Be that as it may, pro-



duction cost has not fallen as low as the initial target. This is due largely to external factors beyond the power of the fertilizer industry itself, such as the upswing of raw material prices, higher interest rates, etc. In such a fashion, the fertilizer industry of Japan is suffering from the problem of excessive production capacity, on one hand, and the inferior international competition power resulting from the insufficient lowering of production cost, on the other. However, large-scale rationalization projects are now under way centring around the changing of the source of gas used as raw material from coal and cokes to heavy oil, natural gas and waste gases that are byproducts of coal mines, oil refineries, etc. As its result, it is expected that production cost could be drastically reduced. Thus there is no anxiety about the future of the fertilizer industry.

Next, new trends of the chemical industry centring around the high polymer chemical division will be surveyed. If the fertilizer division could be considered the nucleus of the already-established non-organic chemical industry, in contrast, the high polymer chemical division can be taken as one pole of the organic chemical division which faces a brilliant future. Incidentally, the blueprint for this industrial segment was drawn during a period of several years immediately subsequent to 1950, the year in which the rehabilitation of the fertilizer division was completed, and today a few years later, it is about to greet a period of full-dress constructive operation at last.

The ultra-modern products of this division in Japan first came to the fore were principally polyvinyl chloride and vinyl acetate, products of the vinyl industry which uses calcium carbide as the raw material. Full-scale production of both categories commenced in 1950. Phenomenal rapid development followed. Polyvinyl chloride's 1956 production was 56,000 tons, equivalent to 56 times that of 1950. From the international aspect also, its scale of production at that time was third in world ranking after United States' 270,000 tons and West Germany's 70,000 tons. In 1957, it further registered a production total of approximately 109,000 tons, a figure double that of the previous year, far outdistancing the output of other plastics. On the other hand, vinyl acetate also attained a production level of 40,000 tons in 1957, a figure about 17 times that of 1950.

The reason why the vinyl industry was able to expand so conspicuously in Japan lies in the fact that the nation is blessed with limestone, the raw material for carbide, and also with electric power resources. The reason in the case of polyvinyl chloride is that chlorine is obtainable at comparatively low prices. Today, polyvinyl chloride has penetrated into all phases of the economic life of the people as an abundant-supply, low-price plastics. On the other hand, vinylon, the man-made fibre which utilizes vinyl acetate as raw material, has achieved an annual production of 34,300,000 lbs. as a synthetic fibre unique to Japan, ranking second to nylon in the list of Japanese man-made fibres. The special feature of vinylon is that it possesses all characteristics essential as a textile fibre despite its cheapness (market price is currently about 56 per cent of that of nylon staples).

In this manner, the high polymer chemical division of Japan blossomed forth first on the foundation of the carbide-acetylene industry. The centre of attention is currently focused on the development of petro-chemicals. Concrete programs in this connection have been advanced by prominent chemical industry companies and oil companies from around 1949 and plant constructions were commenced one after another from around 1956. The production of secondary, butanol and isopropanol, which utilize oil refinery by-product gas, was launched during the first half of 1957. In April, this year, production for actual marketing of I.C.I.

Process (cracking of light oil) polyethylene by Sumitomo Chemical Co., Ltd. and of Ziegler Process polyethylene by Mitsui Petro-Chemical Industries, Ltd. was commenced. In this way, the Japanese petro-chemical industry at last began full-scale production.

Programs of various companies and scheduled dates of completion of constructions currently under way are as shown in the accompanying table.

In addition to the above, the Japan Synthetic Rubber Co., a company newly established at the end of last year through joint investment by Government and private circles, has scheduled the production of 45,000 tons of G.R.S. in 1963. The petro-chemical industry of Japan is expected to enter a period of correlated development in the early 1960's when the current stage of construction comes to completion.

Here, it is essential to briefly touch upon the aspect of man-made fibres, though we have already given an outline on vinylon. The man-made fibre industry of Japan has been assigned the special role of contributing to the improvement of the balance-of-payments position through the reduction as far as possible of imported fibre raw materials. Though it can be said that Japan's import of fibre raw materials is on the down-trend relatively speaking, it still accounted for 24 per cent of the total value of imports in the 1956-57 fiscal year. The production of man-made fibres during the 1957-58 fiscal year exceeded 100-million lbs., expanding 4.4-fold of that of the 1954-55 fiscal year. Besides vinylon, current production consists of nylon, polyvinylidene chloride, polyvinyl chloride and acrylic fibre. Greatest hope for the future seems to lie in acrylic fibre and polyester fibre.

As to acrylic fibre, the Kanegafuchi Chemical Co. in July, last year, embarked upon the mass production of a compound of polyvinyl chloride . . . a fibre unique to that company. At the present time, acrylic fibre based on a manufacturing process obtained from American Cyanamid Company through the cooperation of the Sumitomo Chemical Co. and the Toyo Spinning Co. (Japan's largest spinning company), is scheduled to go on the market in the near future as the first orthodox acrylic fibre to be produced in Japan. In addition, several companies are preparing production programs for the same family of fibre. In regard to polyester fibre, both the Toyo Rayon Co. and the Teikoku Rayon Co. have prepared programs for technical-tieups agreements with Imperial Chemical Industries of the United Kingdom for the introduction of the terylene technique into Japan and its commercialization. Thus two or three years hence when these newly-initiated projects arrive at the production stage, man-made fibres will come to hold a vital position in the ranks of the fibre-producing and fibre-consuming industries.

Another material which is the cynosure of all eyes is natural gas. Natural gas hardly attracted much attention until several years ago. But the interest of the chemical industry suddenly concentrated on it because it became clear that the production of methanol, ammonia, etc. is possible at extremely low cost compared to existing processes if natural gas is used as raw material. In each of the several districts on which attention has been centred as natural gas zones, efforts are at present under way to begin production of methanol, ammonia and also acrylonitrile, etc. by chemical companies such as Sumitomo Chemical Co., Toyo Koatsu Industries, Inc., and others that are already prominent as manufacturers of ammonia.

In previous paragraphs, we have presented a comparative outline of the ammonium sulphate industry, representing the established segment of the Japanese chemical industry, on one hand, and of plastics, man-made fibre, petro-chemical and natural gas, that are champions of new chemical field, on the other. We believe one can grasp from this comparative analysis the fact that the Japanese chemical industry is



at present standing actually on the switch-over point not only from the angle of the composition of its manufactured goods but also in the sense of the conversion of its raw material base. These two facets certainly appear to be mutually conflicting aspects but actually they are closely interlinked. In either case, the enterprises that are the principal subject of conversion are influential and well-established chemical companies or joint management undertakings set up with other industrial circles. These enterprises shoulder the task of turning the current hardships faced by the Japanese chemical industry into more hopeful prospects. Even during the three-year period from 1954 through 1956, the relative importance of chemical fertilizer fell from 47 per cent for the first half of 1954 to 37.8 per cent for the second half of 1956. The percentage for ammonium sulphate in this group dropped from about 30 per cent to less than 20 per cent. It seems proper to declare that this is one of the tangible indicators mirroring the conversion going on within the Japanese chemical industry.

However, the course of this conversion is by no means a smooth one. First of all astronomical capital is necessary for its materialization. During the 1952-53 fiscal year, the

funds invested in plant and facilities by the chemical industry were less than that for each of the metal, machinery and mining industry. In 1956-57 fiscal year, however, the chemical industry's invested funds reached \$215-million or about 4-fold that for 1952-53, the highest total of funds within the mining and manufacturing segment. It appears that the investment demand of the chemical industry will not decrease in the future. Though gradual improvements have been seen, the ratio of owned capital to total capital . . . total of owned and borrowed . . . for the chemical industry is still in the neighbourhood of 40 per cent; its capital accumulation cannot be said to be adequate. Due to previously-mentioned circumstances, the ratio of profit to total capital in the ammonium sulphate division is also only 5 per cent plus. This certainly cannot be said to be a high rate. Herein lies the crux of the difficulties faced by the Japanese chemical industry and it seems that, without its solution, much expectation cannot be placed in exports, the lifeline of the chemical industry. However, we have attained the present state of recovery after conquering numerous difficulties from amidst the almost unimaginable chaos and destruction of the postwar years.

#### Programme of the Petrochemical Industry Of Japan

| Company Name<br>(Plant)                                 | Name of Product    | Production<br>Volume | Capital<br>Required | Time of<br>Completion |
|---|--------------------|----------------------|---------------------|-----------------------|
| Maruzen Oil Co., Ltd.<br>(Matsuyama & Shimotsu Plants)  | Secondary Butanol  | 2,400                | 2.5                 | April, 1957           |
|   | Methylethylketone  | 1,850                |                     |                       |
|   | Benzol             | 6,000                | 2.2                 | April, 1958           |
|   | Toluol             | 3,600                |                     |                       |
|   | Xylene             | 3,600                |                     |                       |
|   | Benzoic Acid       | 898                  |                     |                       |
|   | Phthalic Anhydride | 2,042                | 6.4                 | April, 1959           |
|   | Isophthalic Acid   | 5,014                |                     |                       |
|   | Terephthalic Acid  | 2,215                |                     |                       |
|   | Isopropanol        | 2,000                |                     |                       |
| Nippon Petrochemicals Co., Ltd.<br>(Kawasaki Plant)     | Aceton             | 3,500                | 19.7                | May, 1957             |
|   | Ethylene           | 25,000               |                     | April, 1959           |
|   |                    |                      |                     |                       |
| Showa Yuka K.K.<br>(Kawasaki Plant)                     | Polyethylene       | 10,000               | 11.1                | April, 1959           |
| Furukawa Chemical Industries Co.<br>(Kawasaki Plant)    | Polyethylene       | 9,000                | 7.5                 | April, 1959           |
| Mitsubishi Oil Co., Ltd.<br>(Kawasaki Plant)            | Benzol             | 4,700                | 4.7                 | March, 1958           |
|   | Toluol             | 3,500                |                     |                       |
|   | Xylene             | 3,000                |                     |                       |
| Sumitomo Chemical Co., Ltd.<br>(Niihama Plant)          | (Ethylene)         | (12,000)             | 13.3                | February, 1958        |
|   | Polyethylene       | 11,000               |                     |                       |
| Mitsui Petrochemical Industries Ltd.<br>(Iwakuni Plant) | (Ethylene)         | (20,000)             |                     |                       |
|   | Polyethylene       | 12,000               |                     |                       |
|   | Ethylene Oxide     | 4,200                |                     |                       |
|   | Ethylene Glycol    | 2,170                |                     |                       |
|   | Phenol             | 12,000               | 44.4                | December, 1957        |
|   | Aceton             | 6,840                |                     |                       |
|   | Benzol             | 8,760                |                     |                       |
|   | Toluol             | 11,220               |                     |                       |
|   | Xylene             | 11,220               |                     | November, 1957        |
|   | Terephthalic Acid  | 6,000                |                     |                       |
| Mitsubishi Petrochemical Co., Ltd.<br>(Yokkaichi Plant) | (Ethylene)         |                      | 27.8                | October, 1958         |
|   | Polyethylene       |                      |                     |                       |
|   | Styrene Monomer    |                      |                     |                       |
|   | Ethylene Oxide     |                      |                     |                       |
|   | Ethylene Glycol    |                      |                     |                       |

Note: Ministry of International Trade and Industry Survey.  
 Primary Product in Parentheses.  
 Units: Production—Ton per Year. Capital—\$1-million.  
 Time of Completion lags slightly from programme target.



## ECONOMIC LETTER FROM TOKYO

Reflecting the recent partial upturn in the commodity market, a general bottoming out business sentiment has again cropped up. Advances, pauses and retreats are inevitable accompaniments to business trends. In fact, the economic downturn influenced by the tight money policy has been interrupted frequently by lulls and pauses such as the lull experienced last fall and the business-touching-bottom signs early this year. But these proved to be merely temporary fluctuations in the dipping process. Nevertheless, in contrast to the previous two cases, at the background of the most recent business bottoming out signs lies the regular production dipping trend. But even here, the dipping tempo cannot be considered necessarily adequate, and the excessive finished goods inventory is yet to be corrected. Moreover, the market upturn does not reflect actual supply-demand trends, but is due more to speculative developments implying future cutbacks. Besides, real production readjustments involve not merely quantitative considerations but must also be accompanied by readjustments in business management for rationalization. Unless this is done, it would be difficult to regain the necessary strength for an upturn from the bottom when it is reached. A factor that needs emphasizing in relation to the recent so-called business bottoming out sentiment is that a rise in export is hardly visible. Rather, overseas business trends indicate that fears of export declines cannot be brushed aside completely.

These considerations indicate that conditions are not yet ripe for saying positively that business has bottomed out. Under such a situation, demands for immediate arousal of domestic demand for meeting the excess production situation are considered most inappropriate. Perhaps what is most necessary now is to "go through" with the production readjustment process to a satisfactory conclusion, but including in it the improvement of the economic structure itself. There appear to be no other way whereby it would be possible to realize real stability in the balance of international payments and solve basically the excess production problem thereby gaining the key to sound recovery.

According to the Ministry of International Trade and Industry's index, our mining and industrial production in April fell off 10.6% from the previous month, with the index standing at 138.6 on the basis of 1955. This decline is largely seasonal and may be attributed to a sharp decrease in production of foodstuffs. But also the effects of the strikes in April on the outputs of coal, non-ferrous metals and chemical fertilizers cannot be ignored.

The result of a survey made by the Federation of Bankers Associations shows that, despite the tight money policy pursued, the total loans of all banks of the country increased by ¥847,400 million during the business year 1957 as against ¥1,042,800 million increase in the previous year. Especially notable is the fact that the increase in loans for plant and equipment investments reached ¥178,900 million which even exceeded ¥161,800 million increase in 1956 known as the year of investment boom. On the side of sources of loanable funds, the increase in "real" deposits fell short of expectations with a gain of only ¥534,300 million. As a result, borrowings from the Bank of Japan increased by ¥317,600 million during the year as against ¥230,600 million in 1956.

The Finance Ministry made public our foreign exchange reserves as of the end of April according to a new method of computation. Under the new system only that part of the total foreign exchange holdings which is liquid and usable at any time is separated and designated as "foreign exchange reserves". These reserves at the end of April amounted to \$663

million, or a gain of \$34 million from the previous month-end. Foreign exchange reserves here again include, besides gold, only hard currencies such as U.S. dollars, Canadian dollars and Swiss francs, and other prime currency as British pounds sterling. IMF loans are also included in the total. Of the total foreign exchange holdings of \$1,480 million at the end of March, what is counted as foreign exchange reserves according to the new method of computation amounts to \$629 million.

A change was made from April onwards in the method of compiling foreign exchange statistics by the Bank of Japan and the Finance Ministry. Instead of compiling the statistics on the basis of the dates of the Bank's receiving the reports of foreign exchange transactions as heretofore, compilation is now made on the basis of the dates of actual transactions taking place between the foreign exchange banks and their customers within a given month. According to this new system, our foreign exchange receipts during April amounted to \$271 million, and, with payments amounting to \$239 million, there was an excess receipt of \$32 million in continuance of the favorable trend of late.

A final account of our international balance of payments during the calendar year 1957 was published by the Finance Ministry and the Bank of Japan. Not only the foreign exchange receipts and payments, but all sorts of our transactions with countries overseas including reparations payments and capital movements are taken account of and compiled in accordance with the IMF formula. The result is a big balance of payments deficit of \$601,552,000 for the year as compared with only \$23 million deficit a year ago. It is to be noted that the balance of merchandise trade was \$397 million against us as compared with \$131 million adverse balance in 1956, while the payments of freights and charter hire exceeded receipts thereof by \$501 million in comparison with the excess payments of \$303 million in the previous year. In connection with these external payments our foreign exchange holdings were drained of \$470 million, and, in addition, some \$125 million had to be drawn from the International Monetary Fund.

## END OF CHINA'S "DEMOCRATIC PARTIES"

(Continued from Page 805)

the bourgeoisie which they represent, to remold themselves and to take a more active part in the "socialist leap forward." The party organ strongly implied that they had no other alternative since "the economic base of the bourgeoisie is, in the main, extinct." There was also as much of a veiled threat as an expression of approval in the paper's remark that "some of the bourgeois intellectuals have recently been transferred to work in factories and in the countryside together, with workers and peasants."

Thus, the united front is to be preserved, but on terms somewhat different from any the CPC ever saw fit to lay down publicly prior to 1957. Without explicitly admitting as much, the CPC has, in effect, altered the major function of the united front. Instead of representing (among other classes) the Chinese bourgeoisie, it is now designed to eliminate the bourgeoisie by remolding it ideologically into a segment of the proletariat. The crushing of trouble-makers by means of the anti-rightist struggle will undoubtedly serve to make the united front function more smoothly. As a propaganda device, however, it has largely been stripped of its usefulness and power to deceive.



# AGRICULTURAL AND INDUSTRIAL DEVELOPMENTS IN CHINA

## Agriculture

Despite China's industrial backwardness, a great deal of farm machinery was sent to the countryside during the period of the First Five-Year Plan (1953-1957). It included 1,500,000 two-wheeled, double-share ploughs, 60,000 sowers, 20,000 horse-drawn harvesters, 1,100,000 "Liberation Model" waterwheels, drainage and irrigation pumps with an aggregate capacity of 360,000 h.p. and a large number of vehicles. In addition, much farm equipment was imported, including 22,000 tractors (in 15 h.p. units), 970 combine-harvesters, and 17,000 tractor-drawn implements. These machines were used to farm 46 million *mou* of land, about 2.7 per cent of the country's total cultivated area. This new equipment has shown its worth. Here is a comparison between farming with mechanized and animal-drawn implements, made by the planning commission of the Heilungkiang Provincial Government:

| Year | Area investigated (hectares) | Per hectare yield of land farmed by machines (kilogrammes) | Per hectare yield of land farmed with animals (kilogrammes) | Percentage of increase as a result of mechanized farming |
|------|------------------------------|--|---|--|
| 1953 | 198                          | 1,347  | 1,165   | 16   |
| 1954 | 1,319                        | 1,827  | 1,375   | 33   |
| 1955 | 3,002                        | 1,871  | 1,497   | 25   |
| 1956 | 7,529                        | 1,983  | 1,594   | 24   |

North-east China, where Heilungkiang is located, has huge expanses of land with a relatively small population, so farm machines are in particularly great demand there. But they are also needed elsewhere in China. Since the advent of agricultural co-operation, farm production has greatly expanded; there is often a shortage of both manpower and draught animals, especially in the busy seasons. In Heilungkiang Province in 1957, each peasant farmed 55.35 *mou* of land as compared with 50.25 *mou* in 1952. In Hupeh Province the average per peasant is normally 6 *mou* but many actually farm 9 *mou*. As for draught animals, in many places 27 and sometimes even 31 *mou* of land has to be worked by each animal, whereas for intensive cultivation one draught animal is actually needed for every 20 *mou*. So not only the number of draught animals should be greatly increased, but farm machines are also needed to make up the deficiency.

To speed up mechanization the development of the engineering industry is necessary. In 1952 this industry's output was only 5.2 per cent of the value of China's total industrial output. By 1957 the proportion was raised to 9 per cent (if metal-processing is excluded). The value of farm machines produced was only about 8 per cent of the total value of all machines made in China. While heavy industry goes ahead during the Second Five-Year Plan, the farm machinery industry will also make a big stride forward, so as to be able to turn out large numbers of tractors of various types. Many areas have now made plans to mechanize farming in the next five years or so. Tractors are the mainstay of farm mechanization but China needs more than that having more paddyfields than most countries, her irrigated acreage is increasing rapidly, and heavy rainfall in many areas brings frequent floods and water-logging. So the demand for drainage and irrigation machinery is urgent. China now employs such machines with a total capacity of 510,000 h.p. By the end of the Second Five-Year Plan producers of drainage and irrigation machinery aim to meet the general needs of the country and ensure that the greater part of China's arable lands is irrigated.

Besides tractors and pumps, the farms need machines for sowing, transplanting, harvesting, and husking; small machines for processing and transporting farm produce; mowers and shearing machines for the pastures; machines for the lumber industry; and special machines for industrial crops and aquatic products.

In designing all these, full consideration is given to local customs and habits, to geographic conditions and types of motive power available in a given region. Machines driven by wind or water power will be designed for certain places. Because of the lack of oil, Diesel engines will not be manufactured in quantity. Smaller and more mobile power units of a multi-purpose type seem to be favoured. Old-type farm tools will not be totally discarded. The farmers are making improvements and such improved versions will continue to be manufactured. Even with the progress of mechanization, they will be used for a long time. Small agricultural-implement factories will be set up in every administrative region or county to make them.

Fertilizers and insecticides are the main chemicals used in agriculture. In 1952 the nation's total output of chemical fertilizers was 194,000 tons; in 1957 it had grown to about 800,000. The industrial advances made in the First Five-Year Plan enable China to equip her own chemical engineering works in the Second. It is quite possible that by 1962 production of chemical fertilizers may reach some 10 million tons a year. When, during the Third Five-Year Plan, the administrative areas and counties generally set up their own local chemical fertilizer plants, China may be turning out more than 30 million tons annually. This will make it possible to bring about the "chemicalization" of China's agriculture.

Generally speaking, the use of one catty of chemical fertilizer gives an increase of three or four catties in the case of grain or one or two catties in the case of cotton. Chemical fertilizers are also labour savers; 15 kilogrammes of chemical fertilizer are easy to move and they give an effect equal to that of about 1.5 tons of compost, an amount much harder to move. China is well situated as regards raw materials for chemical fertilizers. Her coal reserves are rich. She has large amounts of natural gas, ferrous sulphides, salt, gypsum, alum, and phosphorus ores. Interlaced with a countless number of rivers, her water power is inexhaustible. Although there will be increased production of chemical fertilizer, the use of compost and other organic manures will not be neglected. Insecticides are another aspect of "chemicalization." The People's Government has made manufacture of insecticides an important item in its plan to develop Chinese agriculture. Twelve major types of insecticides have been developed. During the First Five-Year Plan, their use freed 1,500 million *mou* of land from insect pests. This gave an estimated saving of 5,750,000 tons of grain and 200,000 tons of cotton. Research institutes are studying various new chemical compounds which promote the growth of plants. Serums and antibiotics for veterinary use are already being produced in some quantities.

Striking progress, as shown below, has already been made in China's power industry. This will help rural electrification.

| Growth in China's Electric Power Output |                     |   |
|---|---------------------|---|
| 1941                                    | 5,960,000,000 kwh.  | (record figure in pre-liberation China) |
| 1952                                    | 7,260,000,000 kwh.  |   |
| 1957                                    | 19,030,000,000 kwh. |   |



Eighty million kwh. were consumed in the countryside in 1957. This is still small but a vast advance over the past and a good augury for the future. There are now 360 small rural hydro-electric stations with a generating capacity of 15,000 kilowatts. Many power stations will be built in the Second Five-Year Plan period. But progress will depend, in large measure, on the building of local hydro-electric power stations and this in turn is being facilitated by the construction of water conservancy works—and there is a great deal of activity just now in this field.

#### Drought and Flood Control

Honan Province will increase its irrigated acreage from 32 per cent of its cultivated area, last autumn, to 70 per cent by the end of May. Since last October the building of small irrigation works in this central province has been going on at an unprecedented speed. In eight months a total of 50 million mou will be brought under irrigation. When the target is fulfilled, in May, a rainfall of 200 mm. will no longer cause flood or water-logging in the mountainous and hilly regions, the plains or lowlands while a drought lasting 100 days will not ruin the harvest. In other words, Honan will become the first province in China generally able to control ordinary floods and droughts—a target that the National Programme for Agricultural Development projects for 1967. As a result of its progress in irrigation works, the province recently revised its annual target for grain output close to one-third higher than in 1957.

Honan is high in the north-west, flat in the central part and low-lying in the south-east. It gets most of its rainfall in three months—July, August and September—often in downpours. This makes for drought during the winter and spring and water-logging in the other two seasons. Historical records of more than two thousand years show that there have been over 900 droughts and floods in Honan. From 1937 to 1945, about one million peasant households every year had to flee famine and a great number of people died of hunger in the calamity-stricken areas. The people are now working to end these two century-old plagues by controlling water. Extensive small water conservancy works will receive the excessive water and put it at the service of the people wherever and whenever the people desire. The steps taken by Honan and other provinces to achieve this goal follow three principles. First, emphasis is laid on the building of small water conservancy works, supplemented by medium ones. Large works are planned when their construction is deemed both necessary and practicable. Secondly, building of small and medium works depends mainly on the farming co-ops and supplementary state aid is given only to certain projects to help their completion. Thirdly, the main aim of these works is to store water for irrigation. Drainage will be applied only after the needs in an area are taken care of.

When the construction of water conservancy works in Honan was at its height, about 16 million men and women were working in the fields. Honan people invested over 40 million yuan and huge amounts of bricks, hemp and timber in the irrigation works. In the course of construction, numerous new tools that increased efficiency and saved manual labour were devised. The working people in Honan left no stone unturned to make use of all sorts of water resources. At Kushih, a county in south-eastern Honan, the people built two irrigation canals, each 50 kilometres long. They are linked with 20,000 ponds and 11 old lakes and the whole system is able to store 260 million cubic metres of water. As a result, Kushih is fully prepared to meet flood or drought and its crops will be immune from ordinary natural calamities.

Yuh sien County in central Honan did a lot of work in water and soil conservation. By closely integrating these

works with present farm production, it was proved that returns in the first year could cover all the costs in this field. Thirty per cent of this year's planned work for water and soil conservation on the hills was completed in a fortnight and they are determined to finish by the end of 1958 what they planned to do in this field in five years. In the past, people living along both banks of the Yellow River suffered a great deal from the scourge of this river. Today they are turning sand dunes to good use, building water conservancy works and planting rice in previously lowland. People of Yuanyang, a county at the north bank of the Yellow River situated in the salt and alkaline lowland, are changing large tracts of their land into paddyfields. In fifty days, they completed over 4 million cubic metres of earthwork, equivalent to half of the earthwork done in the previous ten years. This year, 300,000 mou of land in the country are to be planted with paddy rice and 150,000 mou with dry rice. By next year rice fields will be expanded to 800,000 mou. The whole of Fengchiu County, which is situated in the sandy region at the northern bank of the Yellow River, is now planting shelter belts, building irrigation canals and turning swamps into rice fields.

Rapidly expanded irrigation facilities enable Honan to plan for much more paddy rice. In three years it will increase its rice fields from 7.2 million mou (in 1957) to 50 million mou or 36 per cent of its total cultivated land. When this change-over is completed, 50 million mou alone will produce 30,000 million catties of unprocessed rice and wheat, an amount larger than the province's entire grain output in 1957. This year Honan plans to shift 15 million mou to the growing of paddy rice. The success of this programme will set a good example for other areas with similar climatic conditions. Honan solved the technical problems involved in the change-over in two ways. First it transferred 6,000 experienced rice planters from its rice growing counties and other provinces to the new rice areas. Secondly, it sent an equal number of farmers to learn the art in old rice-planting areas in Honan and other provinces. Thanks to the expansion of rice fields and other measures to boost farm output, the 1962 grain output in Honan will be more than twice as large as it was in 1957.

#### Industry & Science

The economic plan for 1958 as passed by the National People's Congress calls for a 14.6 per cent rise in total industrial output (by value) compared with last year. Since its adoption in February, the movement for a "big leap" in production has evoked stepped-up plans in localities, factories and mines everywhere in the country. Industry, therefore, will go forward much more rapidly than anticipated. Moreover, many areas have undertaken to fulfil the National Programme for Agricultural Development for 1956-67 well ahead of time—in seven, six or even fewer years. Everyone is racing with time now, leaving old targets far behind. The whole people is on the move. This is the main feature of China today. As production makes its big strides, a technical revolution is needed. Old tools and methods must be replaced by modern ones. Many of the 40 articles in the National Programme for Agricultural Development concern technical measures. In industry, such things are even more important.

In its technical revolution, China must master and apply, as soon as possible, the advanced scientific and technological knowledge of other countries. It must also undertake creative research in accordance with its actual conditions, develop its own scientific heritage and sum up the experience of the people in production. The purpose is to enable the most urgently needed branches of science and technology to approach or catch up with advanced world levels by the end of the Third Five-Year Plan (i.e. in 1967). At the same time scientific and technical knowledge is to be spread among the workers



and peasants. To ensure a leap forward in production, it is also essential to develop philosophy and the social sciences. These are important in studying the laws of socialist construction and the correct handling of contradictions among the people. They are important in combating bourgeois ideology and in raising the people's socialist consciousness. Advances in production push forward scientific development. The latter, in its turn, helps production forward. Such is the relationship of the development of production and science.

In the eight years since liberation, scientific work in China has made great progress. But its foundation in the past was weak. There is still no adequate survey of the country's natural resources; many important problems arising in industry and agriculture have not been studied; many major branches of science in China are still very weak, some are non-existent. It is a herculean task to change this situation radically, and catch up with the advanced countries in science. Nevertheless, there are also many favourable conditions that ensure the rapid development of Chinese science. First of all, it now has a clear goal. Early in 1956, China worked out her long-range 12-year plan for the development of science and technology, through the joint wisdom of several hundred scientists and with help from the Soviet Union. A similar "perspective plan" was drawn up for philosophy and the social sciences. In the past, few Chinese scientists had long-term research plans of their own. And there was nothing like a nation-wide plan for scientific development. A radical change has taken place—research is no longer haphazard. The next step is to organize the efforts of scientists to achieve these goals. The Planning Committee for Scientific Development, set up under the State Council in 1956, has done a great deal in the past two years to help various scientific research institutions to co-ordinate their activities.

Actual scientific work accomplished in China in recent years has also prepared the way for a real leap. The Chinese Academy of Sciences and other scientific research units have already done much to implement the most urgent measures included in the long-range plan. Active research has been launched in some new fields such as atomic energy (work in this field is being carried out on a fairly large scale), semiconductors, low-temperature physics, computing technics, VHF (very high frequency) technics, automation, titanium metallurgy, fluorine chemistry, etc. Much more than before is being done in sciences closely connected with national construction such as calculus mathematics, mechanics, inorganic chemistry, microbiology, geobotany, mammalogy, fish ecology, seismology, geo-chemistry, etc. There have been considerable advances in metallurgy, petro-chemistry, high polymers and antibiotics. China's natural conditions have been studied intensively. Large-scale resource surveys have been conducted. Basic theoretical research, the study of philosophy and social sciences have all moved forward.

In the past few years China's corps of scientists has grown bigger and stronger. The Chinese Academy of Sciences alone had a staff of 5,239 in 1952; by 1957 it had 17,335. In 1952, its research personnel was 1,292; by 1957 it had 5,506. In 1952, there were 317 senior research workers and technologists in the Academy; by 1957 there were 746, while the number of assistant research workers rose from 314 to 755. The number of junior research workers in the Academy rose fastest of all, from 661 in 1952 to 4,005 in 1957—i.e. more than sixfold. The number of research institutes has also increased. In 1952 there were 31 directly under the Chinese Academy of Sciences; by 1957 there were 68. A great deal of equipment and apparatus has been installed in these institutes. Today, the facilities in some of the research institutes of the Academy of Sciences are as good and up-to-date as in some advanced European countries.

What has been done may be regarded as a preliminary foundation for the realization of the 12-year scientific plan. In the outlook of scientists, too, there has been a change favourable to organized advance. Many scientists have criticized bourgeois ideas still present in their minds, such as placing one's personal interest above the public need, going after personal fame and gains, reluctance to help and co-operate with each other. They have begun to uproot such ideas, strengthened their socialist outlook and become keener in their work. The Shanghai Institute of Experimental Biology is one illustration of the effects of this turn. Formerly, in its work, groups or sections were set up to accommodate persons. Without taking the needs of the state into consideration, almost every senior research scientist set up a separate unit according to his speciality or his personal interest. Things went so far that two research fellows studying the same subject each went his own way without consulting the other. During the rectification campaign scientists of the Institute got rid of such individualist ways which dissipate strength in research. Now the whole Institute has been divided into four groups each with a major problem to investigate. The Chinese Academy of Agricultural Science is another example. It has proposed to co-operate in the fullest way with all agricultural colleges and schools, as well as with all the agricultural extension centres throughout the country. Now work in this field can be carried out in a planned way, to serve the needs created by the forward surge in agriculture.

The last factor in ensuring the leap forward in science, a very important one, is Soviet aid. China, at the time of liberation, was scientifically backward. If she had had to start everything from the very beginning, she could never have set herself the goal of catching up with advanced world levels at such a rate. Fortunately she did not have to labour under such handicaps. In atomic studies, for instance, China had no base at all. But in the past few years, thanks to help from the Soviet Union, she has not only built a 7,000-kilowatt atomic reactor of the heavy water type, the biggest in Asia, but also trained a group of her own research workers in this branch. In the field of rare metals, in which Soviet achievements are most advanced, China is able to make use of Soviet production research in her own increase of variety of output in the Second Five-Year Plan. In October 1957, the Chinese Government sent a scientific and technical mission to the Soviet Union; similar delegations were also sent by the Chinese Academy of Sciences, Academy of Agricultural Science and the Ministry of Higher Education (now merged with the Ministry of Education). The delegations spent three months collecting the opinions of corresponding Soviet organizations on China's scientific plan and discussing how further to strengthen overall Sino-Soviet co-operation in scientific and technical research. In December 1957, the Chinese and Soviet Academies of Sciences made a detailed arrangement for co-operation. In January this year, an agreement was concluded between the governments of the two countries. It provides that during China's Second Five-Year Plan (ending in 1962), 122 important scientific and technical problems will be studied jointly by Chinese and Soviet scientists, or by Chinese scientists with Soviet aid. In 1958 alone, the two Academies will be working jointly on 89 subjects, and 288 senior Soviet specialists will come to work in China. Similar co-operation agreements were signed by the Soviet and Chinese Academies of Agricultural Science and Ministries of Higher Education.

#### Northeast China

A considerable portion of the industrial plants built in old China were in the north-eastern provinces. After liberation the existing industrial foundation there was put to work to help



the development of production all over the country. Early in the period of the restoration of the national economy (1949-52), while rehabilitating the industries in that region which had been damaged by the Kuomintang, the People's Government also prepared for large-scale new industrial construction there. During China's First Five-Year Plan (1953-57), north-east China became a centre of such building in which the state invested heavily, organizing the whole population to give it support. In north-east China, over 150 big industrial units, in the above-norm investment category,\* were constructed. They included China's first seamless steel tube mill, motor car works, and heavy rolling mill, expanded facilities for the Fengman Hydro-electric Power Station, and the new Haichow open-cast colliery. All went into production during the First Five-Year Plan. And many other big factories and mines will be completed early in the Second Five-Year Plan.

As a result of the establishment of new branches of industry and the expansion and modernization of existing ones, north-east China's industry is no longer of the colonial type, as in the past. Today this economic region turns out a variety of metal products, complete equipment for many types of industrial plants, basic chemicals and all kinds of fuels from the rich local resources. Before liberation the important industries were in Liaoning Province, in the south of the region; in the First Five-Year Plan, Kirin Province in its central area, and Heilungkiang in the north also assumed industrial importance. In the First Five-Year Plan, north-east China's iron and steel output grew very quickly, as did that of steel products and high grade alloy steels which the country badly needed. In 1957, it produced 3.7 times as much pig iron as in 1952; 3.7 times as much steel; about four times as many steel products.

Forty-one big new or renovated units were added to the state-owned Anshan Iron and Steel Works, centre of the north-eastern industrial base, between 1953 and 1957. They included six automatic blast furnaces, ten coke ovens, two steel plants, eight rolling mills and seven ore-dressing and sintering plants. As a result of their completion and improvements in production techniques at Anshan, China's output of iron and steel products increased greatly in quantity and variety in her First Five-Year Plan. This helped the nation carry out its programme in geological prospecting, the construction of factories, mines, railways and bridges and current production. The non-ferrous metals industry, always a weak link in China in the past, also made considerable progress in the north-east. On the basis of the development in metals, branches of the engineering industry of tremendous significance to the technical re-equipment of China's national economy have grown up in the north-east.

The heavy engineering plants of Liaoning Province can now make mining, ore-dressing and metallurgical equipment,

giant forges and presses and heavy vehicles used in factories and mines. During the First Five-Year Plan, industries in this province produced the essential equipment for three of Anshan's new automatic blast furnaces. When the giant Fularki Heavy Machinery Works in Heilungkiang Province is completed under the Second Five-Year Plan, complete equipment produced in the region will include that for giant rolling mills. In the current plan period, the up-to-date No. 1 Motor Car Works in Changchun will broaden its range to include many types of vehicles, including lorries, ambulances and passenger models. A large number of new steam locomotives made in Dairen, and of up-to-date wagons and coaches from the Tsitsihar Works will be running on China's railways. Shipbuilding in Dairen is being expanded, and the yards there will turn out 10,000-ton ocean-going vessels. In Shenyang, factories manufacturing wire, cables, transformers, switch-gears, etc. were completed in 1957. Together with new plants in Harbin, which make electric-power generating equipment, they enable China to build giant thermo- and hydro-electric power stations without resorting to imports. The chemical industry centre at Kirin, relying on by-products of the iron and steel works in the north-east for its raw materials, went into production in 1957—marking an important change in the country's situation in this regard. It will be further expanded, creating a comprehensive base for basic chemicals used in the manufacture of fertilizers, plastics, synthetic fibres, synthetic rubber and high grade dyestuffs and laying a foundation for the organic synthetic chemical industry in China.

Alongside the iron and steel and other heavy industries, the fuel industry in the north-eastern provinces was also greatly expanded in the past five years. The Fushun, Fuhsin, Hokang and Shuangyashan collieries have greatly increased their output. In the First Five-Year Plan, more than ten power stations were built in Fengman, Fushun, Fuhsin and Kirin among other places. The Liaoning Thermo-electric Power Plant—biggest of its kind in China—is now under construction. The north-eastern synthetic petroleum industry produces a large part of China's crude oil. The building materials industry in the region has made much progress, conforming to the needs of large-scale economic construction there. The Kiamusze Comprehensive Paper Mill, now completed, is able to provide all sorts of paper for industrial use. The timber and sugar industries of the north-east have also grown considerably. The total industrial output (by value) of the north-east region, not including that of handicrafts, had increased by 144 per cent in 1957 as compared with 1952, an average annual rate of growth of 19.5 per cent. With the fulfilment of the First Five-Year Plan, north-east China has turned into a powerful industrial base for the nation. In the Second Five-Year Plan, it will supply the main iron and steel products, machines and other heavy industrial goods needed for the building of new industrial bases in central, north, north-west and south-west China.

\* The norm of investment in capital construction for heavy industry ranges between five to ten million yuan and that for light industry, between three to five million yuan.

## CHINA'S MINERAL RESOURCES

Even the officials in charge of geological work and the exploration of the nation's hidden riches underground were, like all others, one of the targets of the critics during the brief period of free criticism. They asserted that in this, as in so many other fields, the Communist Party were unfit to lead, that there were no achievements in the field and that the work in 1956 was a mess. The Government may have had to rely on many groups of untried and quite inexperienced students to undertake explorations in the interior, but the experts and these zealous youngsters undoubtedly went to great pains and hardships.

A geologist who sent in a report to the National People's Congress in 1956 claimed that the geological drilling and surveying work in that year far exceeded the norms set for the first three years of the five year plan, in scale, speed and volume of work done, and also in the mineral deposits discovered, including manganese, zinc, aluminium, vanadium, chromium, corundum, phosphorous, quartz, iron, titanium, iron pyrites, and coal. All discoveries of these metals were in excess of the figures for the preceding three years, but it was admitted that copper and tin deposits found were lower by 30 per cent.



Between 1953 and 1956 they found an aggregate coal deposit of 20,100 million tons, fully adequate for the designed 100m. ton capacity of the 170 coal shafts that were newly built, reconstructed and restored. Surveys and estimates placed the national total of coal deposits at 1,200,000 million tons. Iron deposits, estimated before 1950 at 3,000m. tons, are now known to be around 11,000m. tons. By the end of 1956 geologists had already brought to light a total deposit of 3,600m. tons. The Anshan, Penchi, and Paotow steel plants were thus assured of a steady supply and reserve of the raw material.

The work has indicated that China has rich mineral deposits adequate for socialist industrialisation, including tungsten, tin, antimony, coal, iron, copper and lead and zinc and also molybdenum. The discovery of such a large amount of mineral resources in so short a period represented a big achievement unparalleled in China's history. But it was admitted that the range of minerals surveyed and explored was not wide enough to meet the overall demand of the country and that the resources of such minerals as had been found were often too small to be compatible with the pledges to the State. The deposits found of chromium, mica, nickel, asbestos and quartz are all very small while in some cases where they are larger the qualities are not high enough for construction purposes, such as copper and zinc. Some mineral resources are not evenly distributed; manganese and phosphorous mines are mainly in the South and coal in the North, and co-ordination cannot be effected between the sulphur and phosphorous producing areas. Too little effort had been made in exploring resources for middle-sized and small enterprises and regional enterprises. In the field of rare metals and dispersed elements, even less had been done.

The geological corps found in surveys of several hundred mining points that 40 of them possessed industrial value, including, among the biggest ones, a copper mine in Shansi, copper and copper-nickel mines in Kansu, a molybdenum mine in Shensi, iron ores in Kwangtung and Fukien, iron ore in western Hupeh, a zinc mine in Kweichow, phosphorous mines in Hupeh and Hunan, and quartz and zinc mines in Chinghai. Twelve petroleum surveying corps were organised for work in Sinkiang Province, the Tsaidam Basin, the North China plains, the Sungkuakiang-Liaoho plains, the Szechuan basin, Kweichow and Kwangsi, over 270,000 square miles.

Admittedly there were faults, and these were attributed to excessively high levels set in the labour plan, coupled with insufficient technical forces, delays in equipment, too many employees and students, insufficient experience and acts of bureaucratism and subjectivism. It was denied that they had conducted inspection over mineral deposits to the neglect of a general scientific study. When they started work, departments of heavy industry were in urgent need of minerals. "As Old

China had left us with no establish mineral resources (sic) we had to concentrate man power and material on explorations and surveys and not till later were we able to strengthen geological exploration and scientific research." But in 1956 128 general survey corps were organised including 19 formed with the technical help of the Soviet Union. Surveying corps were organised for the Tahsinanling, Chingling, Nanling and Altai. Nineteen hydrological, geological and engineering corps were organised for work in the coastal region of Shantung, the Tsaidam Basin in Chinghai, the Hoshi artery in Kansu and the Huhehot area in Inner Mongolia. In Peking, Sian, Tsamkong and Paotow, subterranean surveys were undertaken and in the water-dam areas of the three gorges on the Yangtze, Chungking, Yiping, Yilo, Tankiang, the Sanmen Gorge, Hsinankiang, and on the Yangtze Bridge engineering geological work was carried out.

In addition 317 geophysical exploring implement corps, utilising magnetic, electric, gravitational, and seismographic methods for the testing of mines. Aerial magnetic surveys were carried out on a large scale over a number of petroleum areas and magnetic metal mines and electric tests of pits were used in coal mines. With Soviet technical help, aerial surveys were carried out on a large scale over a number of petroleum areas and magnetic metal mines and electric tests of pits were used in coal mines. In 1956 seven research institutes summing up the experiences gained over the years.

Some people admittedly did not realise that the process of general exploration and drilling and surveying was also a process of scientific research and that the deposits found in the surveys and explorations were the products of co-ordination between scientific research and production. They entertained the fallacious thought that production was not meant for scientific research and that research was being made for the sake of research only.

There have been great increases in the numbers of geological technical personnel since the liberation, with real strides in geological work, and the technical level had become higher than in the days before the war. The geological personnel had conducted work over relatively remote areas for which little or no work had been done in the past, including Dzungaria, Tarimo, Altai, the Tsaidam Basin, the Chihlien and Kunlun Mountains, Lhasa-Chamdo-Shigatze area, the Ordos and Ala Shan area, the N. China Plains and the Sungari-Liaoho plains. Technical conferences were held to sum up experiences and a number of technical articles were published.

Mr. Liu Ching-fan, who presented the report, admitted that the status of the general exploration and survey is still very backward, and that they had not yet been able to meet fully the drilling and surveying requirements expected. It would be a relatively long period of hard work before they could expect the geological technical level to reach the world level.

## PAPER MONEY IN MODERN CHINA (1900-1956)

### REGULATIONS PERTAINING TO THE ISSUE OF BANKNOTES IN CHINA

By E. Kann.

#### PART XXXVI

##### Regulations Governing the Exchange of Dilapidated Banknotes

(Revised and announced by the Ministry of Finance  
on August 31, 1939)

"Article I. Dilapidated banknotes having one of the following conditions may be exchanged for new notes at their face value:—

1. If the mutilation is slight and the undamaged remainder covers over three-quarters of the whole.

2. If the torn pieces, when placed together, retain and complete the original design.

3. If the signature, serial number, wording and texture of the soiled or burned note can still be distinctly recognized.

Article II. Dilapidated banknotes with the undamaged remainder constituting less than three-fourths of the whole shall be exchanged at one-half of their face-value.

Article III. Dilapidated banknotes having one of the following conditions shall not be exchanged:—



1. If they are burned, soiled, oil-stained and destroyed in such a way as to make it impossible to tell whether they are genuine or counterfeit.

2. If the undamaged remainder is less than one-half of the whole.

3. If the torn pieces when placed together, cannot complete the original design.

4. If they are purposely cut and deformed, or if one side thereof is torn off.

5. If they are not intended for circulation, such as sample notes and those declared invalid.

Article IV. Dilapidated banknotes, although exchangeable under the provisions of Articles I and II, may not be exchanged, if there is suspicion that the mutilation has been done purposely.

Article V. Dilapidated banknotes, although unexchangeable under the provisions of Articles I and II may, under exceptional circumstances be exchanged in limited amounts, if the holder thereof can produce evidence acceptable to the competent authorities of the Four Banks. However, such dilapidated notes shall bear the signatures and seals of the aforesaid competent authorities."

In order to keep within the border lines of chronology it will be correct, though somewhat distasteful, to record here the monetary regulations as decreed by the "Reformed" Government, as far as these comprise paper money. The Japan-directed puppet authorities, domiciled in Nanking for nearly 6 years, had and used the powers to banish from the occupied districts of Central and South China and to substitute its own emissions of fiat money, issued from the puppet organization, the Central Reserve Bank of China. Already for historic purposes it is thought expedient to cite the wording of the Japan-inspired banknote regulations:

#### Provisional New Legal Tender Protection Law

(Promulgated by the "Reformed" Nanking Government on March 13, 1941)

Article 1. The new legal tender as mentioned in the present Law means the notes issued by the Central Reserve Bank of the National Government.

Article 2. Those who purposely hamper the proper circulation of the new legal tender or commit offences to the impairment of popular faith in such notes, shall be punished with penal servitude for a term exceeding five years, and also with fines not exceeding 5,000 yuan. Attempted offences will also be subject to punishment.

Article 3. Those who refuse to accept the legal tender shall be punished with penal servitude for a term ranging between three and ten years, and fines at the same time, not exceeding 5,000 yuan.

Article 4. Those banks, exchange offices, money shops, pawn-brokers, business companies and stores that have committed offences mentioned in Articles 2 and 3 in the present Law, shall be punished in accordance with the present and other Laws concerned, and divested at the same time of their business licenses.

Article 5. Those organizations, public or private, and those individuals, military or civilian, that have been arrested by the police on charges of the offences mentioned in the present Law, and that have been found guilty by the Court of Justice after their reference thereto for trial, shall duly be punished in accordance with the Law. Those who made false charges on purpose against others of the offences mentioned in the present Law, shall be punished on a charge of calumny.

Article 6. Those who have forged new tender in violation of the new criminal code pertaining to the new currency shall be punished in accordance with the provisions of the Law.

Article 7. The present Law shall be enforced for a period of two years from the date of enforcement.

Article 8. The present Law shall be put into effect on its promulgation."

#### The Puppet Regime Bans the Old Fa-pi Notes

(Announced from Nanking on June 7, 1941)

"Article I. The National Government of China will dispose of the old fa-pi in accordance with this ordinance.

Article II. The old fa-pi will be withdrawn for the purpose of this disposal will be banknotes issued by the Central Bank of China, the Bank of China and the Bank of Communications.

Article III. The Central Reserve Bank of China will be charged with the task of calling in the old fa-pi.

Article IV. The Central Reserve Bank of China will exchange the old fa-pi with its own notes at the rate of two to one. However, the Government will be able to issue Government bonds of the same face value in place of the C.R.B. notes, or record the sum as a deposit with the Central Reserve Bank of China. The Government may transfer to the Central Reserve Bank of China government bonds to the same face value as the value of C.R.B. notes issued in redemption of old fa-pi and to the same face value as the deposits made through the exchange.

Article V. The old subsidiary notes will temporarily be permitted to remain in circulation at half the value of those issued by the Central Reserve Bank of China.

Article VI. Existing credit and obligations based on the old fa-pi will be regarded as having automatically shifted to the C.R.B. notes as base at the rate of two to one.

Article VII. New contracts based on the old fa-pi after this ordinance takes effect, will be invalid.

Article VIII. The areas in which this ordinance will be operative are for the time being the provinces of Kiangsu, Chekiang and Anhwei, and the cities of Shanghai and Nanking.

Article IX. Detailed rules governing the withdrawal of the old fa-pi will be fixed by the Central Reserve Bank of China.

Article X. This ordinance will remain effective until further notice."

Simultaneously, detailed rules were publicised regarding procedure connected with the elimination of old fa-pi banknotes.

#### Procedure for the Withdrawal of Old Fa-pi Notes

"1. The old fa-pi to be withdrawn shall be those of the Central Bank of China, the Bank of China and the Bank of Communications, except those of small denominations below 50 cents. However, old fa-pi issued by these banks bearing the names of issuing places other than Shanghai, such as Tientsin, Paoting, Tsingtao, Shantung, Hankow and Chungking, shall be excluded from the withdrawal.

2. The redemption of old fa-pi shall be enforced in Kiangsu, Chekiang and Anhwei Provinces and the cities of Shanghai and Nanking.

3. The offices where the official exchange of old fa-pi for C.R.B. notes will be conducted are:

- (a) The offices of the Central Reserve Bank of China.
- (b) Offices of the Central Reserve Bank which will be temporarily established in Shanghai, Nanking and other places.
- (c) The Hwa Hsing Commercial Bank.
- (d) The Bank of Japan.
- (e) Exchange shops and Chinese Native Banks specially assigned with the withdrawal of old fa-pi. The names of these exchange shops and banks will be announced separately.

4. The withdrawal of fa-pi notes possessed by those except financial organs shall be conducted by the following methods:

(a) Those who wish to exchange old fa-pi less than \$10,000 with C.R.B. notes will be able to do so at the above-mentioned banks at the official rate of 2 to 1.



The period during which the redemption of old fa-pi shall be conducted shall be limited to 14 days between June 8 and June 21, 1942.

Those banks, exchange shops and native banks are required to transfer their redeemed old fa-pi to the Central Reserve Bank of China within the above-mentioned period and receive C.R.B. notes at the official exchange rate.

(b) Those who possess old fa-pi more than \$10,000 should apply for the exchange to the Central Reserve Bank and its designated banks, the names of which will be announced separately, between June 8 and June 21, 1942. The Central Reserve Bank and its designated banks shall record thus redeemed fa-pi as cash deposits in C.R.B. notes at the official rate of 2 to 1."

#### Transport of Banknotes

With the enforced changes and exchanges of Chinese paper money during the war years, there was a heavy movement to and fro. The Chinese Customs Authorities, standing under the control of the Ministry of Finance, had occasion to issue numerous official Notifications in regard to the transport of banknotes. The following order emanates from the Maritime Customs, Shanghai, which then had been functioning as puppet of the Nipponese-controlled Nanking Administration:

"Office of the Superintendent of Customs.  
Notification No. 7.

Under instructions from the National Government, I hereby notify the public that the following instructions on the movements of Bank Notes will come into force from 1st of July, 1941.

(1) Importations into Shanghai by banks (both Chinese and Foreign) for legitimate business and requirements will be permitted under *Huchao*\* issued by the Superintendent of Customs. Importations not covered by *Huchao* will be liable to detention and confiscation.

(2) Importations by individuals are restricted to \$1,500 per person. Importations in excess of the above amount will be liable to detention and confiscation.

Shanghai, July 1, 1941.

Li Chien Nan,  
Superintendent of Customs."

With regard to the foregoing Notification by the Customs, new rules entered into force as of July 1, 1941. The mode of procedure was outlined simultaneously by the Directorate of Chinese Customs and reads as follows:

"Art. 1. When Chinese banknotes are imported into a Chinese port, applications for issue of *Huchao* must be submitted to the Ministry of Finance at Nanking through the Superintendent's office or branch of the Central Reserve Bank at the port, giving full particulars regarding the description of the notes (e.g. name of the bank, face value of each note, etc.) quantity, the purpose for which they are to be used, number of packages, port of shipment and destination, etc. Bank-notes imported without being covered by a *Huchao* are liable to confiscation if seized by the Customs. Bona fide passengers may be allowed to carry used Chinese banknotes up to the limit of Taels 1,500, above which a *Huchao* is required.

Art. 2. When legal tender notes, either of the old (i.e. issued by the Central Bank, the Bank of China and the Bank of Communications), or of the new issue (i.e. notes issued by the Central Reserve Bank), are shipped from inland places to Shanghai, or between Chinese ports, applications with full particulars regarding the description and quantity of the notes, the purpose for which they are to be used, number of packages, port of shipment and destination, etc., must be submitted to the Ministry of Finance at Nanking for the issue of a *Huchao* before the shipment can be made, if the total face value is over Taels 10,000. Ship-

ments without being covered by such *Huchao* are liable to confiscation if seized by the Customs.

Art. 3. Shipments of blank banknotes and signed banknotes that have not been put into circulation must be covered by a *Huchao* issued by the Ministry of Finance, irrespective of whether they are being imported from abroad or shipped between Chinese ports.

Art. 4. Shipments of banknotes covered by *Huchao* may be passed by the Customs after examination according to regulations and shall be exempt from further examination by the military and police en route. However, when martial law is in force they may also be examined by the latter, but the examination may take place at some secluded place for the sake of safety, if it is so desired by the shipper.

Art. 5. The *Huchao* is usually valid for three months. If the skipper is a national, or provincial or municipal bank, the time limit may be extended for six months.

Art. 6. The *Huchao* is not to be lent to other persons for use.

Art. 7. The fee for each *Huchao* issued is Taels 5, in addition to Taels 2 for revenue stamps.

Art. 8. The names of the ports at which the above regulations are to be enforced will be notified by the Ministry of Finance at Nanking.

Art. 9. The above Regulations shall come into force from July 1, 1941."

Already before the publication of the foregoing restrictions, the Ministry of Finance, namely on April 27, 1940, limited the transportation of legal tender notes from Free China. A maximum of \$500 could be carried abroad. But only \$200 was allowed to be brought across the border from Yunnan to Burma or French Indo-China. The same sum was permitted to be transported from Free China to guerrilla zones.

The need of separating North China currency from that issued in Central China made diverse rulings necessary. The maximum sums permitted to be carried from one area to the other was repeatedly changed. Under date of May, 1944, the Superintendent of Customs at Shanghai issued the following Notification in connection with this particular problem: (puppet Administration).

#### "Customs Notification No. 1719.

Maximum amounts of Bank-notes allowed to be carried by Passengers travelling between North and Central China.

With reference to Customs Notification No. 1716, the public is hereby notified that, in accordance with Government instructions, Passengers travelling between North and Central China are allowed to carry banknotes up to the following specified limits:

1. By rail or by sea:

From Central China to North China, or vice versa:  
1st and 2nd class passengers up to C.R.B. \$5,000 each.  
3rd and 4th class passengers up to \$2,500 each.

2. By air:

From Central China to North China or vice versa:  
Each passenger may carry up to C.R.B.\$5,000.

Li Chien Nan,  
Superintendent of Customs.

Shanghai, May 5, 1944.

J. Kurosawa,  
Commissioner of Customs,  
Custom House."

#### Regulations Pertaining to Torn Banknotes, Issued by the Central Reserve Bank of China, Shanghai

On August 1, 1942, new rules in connection with the exchange of torn banknotes were published by the Central Reserve Bank of China. The regulations were listed as follows:

\* *Huchao* means Customs Pass.



1.—If three-quarters of a note is intact and both numbers and signatures are whole, the note can be exchanged for its full value. If signatures or numbers are blurred or indistinct, the redemption of these notes will be conducted with the consideration for the condition of the notes and the extent of the damage.

2.—If more than one-quarter of a note is damaged, and both numbers and signatures are whole, the note will be redeemable at half its face value. If signatures or numbers are blurred or indistinct, their redemption will be governed by the condition of the note and the extent of the damage.

3.—If over half of a note is damaged, the note is not redeemable.

4.—Exchange of soiled and damaged notes of which signatures, numbers and floral designs are recognizable, will be governed by rules 1 and 2. However, any note damaged by fire, water or oil to such an extent that the genuineness of the note cannot be determined, will not be acceptable for exchange.

5.—Notes which are intentionally torn, frayed or colored, will not be acceptable for exchange, though numbers and signatures may be whole.

6.—Notes torn into small pieces will be acceptable for exchange at their face value if they can be pieced together, so that numbers and signatures are distinct. However, those which have been so torn up that they cannot be pieced together, will not be redeemable.

7.—If the possessor of torn or damaged notes, which do not come under rule 1 or 2, pleads special conditions or considerations, and accompanies such pleas with proof, an investigation will be made and suitable measures taken."

In the autumn of 1945, the rightful National Government returned from Chungking to Nanking and assumed administrative powers there. From then onward, notwithstanding the fact that Japan had lost the war and was forced to surrender, Chinese National currency was subjected to rapid inflation. Therefore it is not surprising that limits set for the legally permitted outflow of Chinese paper money had to be newly set. Notification by the Customs authorities appurtenant to the new limits in connection with egress of Chinese fiat money:

"Customs Notification No. 110.  
(English Translation)

The Public is hereby notified that the following government instructions restricting the carrying of Chinese national currency notes by passengers proceeding aboard and

reiterating the prohibition of clandestine exportation of gold and silver and the restriction on importation and exportation of foreign currency notes, have been received through the Inspector General of Customs:—

(1) The maximum amount of Chinese national currency notes allowed to be carried by each passenger proceeding from China to Hongkong, or any territory outside China, is CN\$250,000. Any amount found in excess of this sum shall be confiscated.

(2) Strict search of passengers leaving China shall be made with a view to preventing smuggling abroad of gold and silver in accordance with the Rules governing Prevention of Clandestine Exportation of Gold and Silver; and

(3) In accordance with the Temporary Regulations with regard to Foreign Exchange Transactions, strict search shall be made to prevent the export of foreign currency notes in excess of \$200, or its equivalent in other foreign currencies.

Custom House,  
Shanghai, January 18, 1947.

(Liu Ping I)  
Commissioner of Customs."

"Customs Notification No. 128.  
(English Translation)

With reference to Customs Notification No. 110, of January 18, 1947, notifying inter alia the maximum amount of Chinese national currency notes allowed to be carried by passengers proceeding abroad, the Public is hereby notified that, in accordance with government instructions now received through the Inspector General of Customs, the amount of Chinese national currency notes to be carried by passengers proceeding from China to Hongkong or any territory outside China, unless covered by Ts'ai-cheng Pu Huchao,\* shall not exceed CN\$500,000 each person and that any amount found in excess of the above limit shall be confiscated.

Custom House,  
Shanghai, April 16, 1947.

Liu Ping I,  
Commissioner of Customs."

\* Ts'ai-cheng Pu means: Ministry of Finance.

(To be Continued)

## TAIWAN FOREIGN EXCHANGE & TRADE REGULATIONS

In mid-April, the Executive Yuan promulgated a series of measures for the control of foreign exchange and foreign trade. The salient points of such measures are as follows:

I. **Exchange Rates:** Exchange rates between the New Taiwan Dollar and U.S. Dollar were simplified. The old basic buying and selling rates of NT\$15.55 and NT\$15.65 per US\$1.00 were abandoned and moved up to NT\$24.58 and NT\$24.78 respectively. All other variable rates, including the "preferential rate", hitherto in force, are done away with. The principal objective of the new system is simplification of rates—ultimately a unitary rate.

II. **Foreign Exchange Certificates:** Foreign exchange certificates will be issued to and required of all settlements of foreign exchanges pertaining to receipts and payments under Category B. Certificates will not be issued to nor required of exchange settlements under Category A (see below). For exports under Category B, foreign exchange certificates will be issued to the

exporter, equivalent to 100% of the value of export, instead of 80% as hitherto. Foreign exchange certificate rates are allowed to fluctuate. For the time being, the Foreign Exchange Certificate Committee (under FETCC) will fix such rates every Monday morning. Eventually, a market for dealings in certificates will be established and certificate rates may fluctuate in the open market, according to supply and demand. Foreign exchange certificates will have a validity of 120 days from the date of issue during which time may be traded in the open market. Upon expiration, the certificate, if unused, may be sold to the Bank of Taiwan at the bank's prevailing buying rate within a period of 30 days. The certificate rates are NT\$11.50 buying and NT\$11.60 selling for US\$1.00. Therefore, the prevailing effective rates are NT\$36.38 for general imports (including outward remittances) and NT\$36.08 for general exports (including inward remittances).

III. **Classifications:** All foreign exchange receipts and payments are classified into two categories:



a. Receipts (i) Category A—Receipts derived from exports of Sugar, Rice, and Salt; and proceeds from Inward Remittances received by Government agencies. (ii) Category B—All other exports and foreign exchange receipts.

b. Payments (i) Category A—Payments for imports of Essential Machineries, Fertilizers, Wheat, Cotton, Soya Beans, and Crude Oil; and Outward Remittances made by Government agencies. (ii) Category B—All other imports and international payments.

IV. **Private Holdings of Foreign Exchanges:** In the territory of the Republic of China, either a Chinese or an alien may hold any foreign currency or foreign exchange, sale of which may be made only to the Bank of Taiwan or its appointed agents. No free dealings between private individuals will be allowed. A holder of any foreign currency or foreign exchange may deposit his holdings with the Bank of Taiwan in original currency and draw against it from time to time for conversion into local currency at the bank's prevailing buying rate. The holder of foreign currency and foreign exchange may use his self-provided foreign exchanges for approved foreign payments or to finance imports of commodities within the Import Quota as fixed by FETOC periodically.

V. **Travel:** An outgoing Chinese or alien may bring with him not more than US\$200 or its equivalent in terms of other foreign currencies. Gold, silver, or foreign currency notes carried by a transit traveller should be declared to the Customs at the time of entry and placed under the custody of the Bank of Taiwan or its authorized agents until the time of departure. However, such gold, silver, or foreign currency notes carried by a transit traveller whose

stay in this country exceeds six months from the time of entry will be dealt with in accordance with the preceding paragraph.

#### Foreign Exchange Rates

| Currency                        | Buying    | Selling   |
|---------------------------------|-----------|-----------|
| United States Dollar .....      | NT\$24.58 | NT\$24.78 |
| Hongkong Dollar .....           | 4.30      | 4.34      |
| Pound Sterling .....            | 68.82     | 69.38     |
| Straits Dollar .....            | 8.09      | 8.09      |
| Italian Lira (per 10,000) ..... | 393.26    | 396.48    |
| French Franc (per 10,000) ..... | 585.24    | 590.00    |
| Deutsche Mark .....             | 5.85      | 5.90      |

Gold Price is fixed at equivalent to US\$35 per shih-liang fine. The Bank of Taiwan's gold buying price was fixed at NT\$404.10 per 10 grams fine as on April 14, 1958.

#### Foreign Exchange Certificate Rates

| Currency                        | Buying    | Selling   |
|---------------------------------|-----------|-----------|
| United States Dollar .....      | NT\$11.50 | NT\$11.60 |
| Hongkong Dollar .....           | 2.01      | 2.03      |
| Pound Sterling .....            | 32.20     | 32.48     |
| Straits Dollar .....            | 3.76      | 3.79      |
| Italian Lira (per 10,000) ..... | 184.00    | 185.60    |
| French Franc (per 10,000) ..... | 273.81    | 276.19    |
| Deutsche Mark .....             | 2.74      | 2.76      |

Note: Rates for other foreign currencies may be calculated on the basis of cross-rates of United States Dollar in relation to that particular currency.

## REPORTS FROM SINGAPORE

### Workers and the Future

In the present period of political and social transition, the workers of Singapore have a duty to themselves to undertake to work harder for their country, declared Chief Minister, Mr. Lim Yew Hock. When "Merdeka" was achieved, it was clear it would not bring with it an economic paradise. "On the contrary," the Chief Minister said, "it calls for harder efforts from all of us for; with self-government, we shall have to look after ourselves and we cannot put the blame on anybody else. Substantial advances in the field of labour legislation, devised to widen the scope of economic status, social and material welfare have been passed, and are now being fully implemented. I refer, in particular, to the Clerks and Shop Assistants' Employment Ordinances which have brought protective labour legislation. A Factories Bill will soon be introduced governing the health, safety and welfare of workers in all factories in Singapore. Moreover, it is the policy of Government to introduce as soon as possible Social Security schemes which will cover unemployment benefit, sickness benefit, old age pensions etc. This is a demonstrably clear indication that Government is ever vigilant and prepared to better the living conditions of every employee and workman.

"However, the improvement of your status cannot be achieved merely by imposing legislation from above; legislation represents only the preventive aspects of the problem; legislation can only establish minimum requirements. The effort to ensure a fuller and happier life must also come from the workers themselves; the area for negotiation in the process of obtaining better benefits still rests with an alert and active Trade Union Movement."

"The future of Singapore depends, now more than ever, upon a new pattern of industrial relations being forged—a pattern in which both Labour and Capital are compatible partners for progress. A pattern is now emerging showing greater tendency for both groups, formerly thought hostile to each other, to agree to participate in a common endeavour from which both seek better security, greater opportunity and more enduring prosperity. The crying need of this world is peace. Here in Singapore we need, in particular, industrial peace and not intermittent unrest. As a worker myself, I look to Labour to take the lead in eradicating class-hatred, communalism and bigotry and fostering instead a healthy spirit of co-operation between individuals who are employed and individuals upon whom such employment depends—a co-operation which can only contribute to strengthening the fabric of our society."

### Indian Congress Proposal Rejected

The Chief Minister, Mr. Lim Yew Hock, informed the Singapore Indian Congress that the creation of reserved seats for the minority communities in the Legislative Assembly would perpetuate communalism and that such a move was out of the question. The S.I.C. in a letter to the Chief Minister asked that legislation be passed for the creation of reserved seats for the minority communities in the Assembly. The Indian Congress also asked that their representatives be included in the All-Party Delegation proceeding to London for constitutional talks. Mr. Lim told the S.I.C., "The All-Party delegates were unanimously agreed that representation for communities was out of the question, the consensus of



opinion being that such a step would perpetuate communalism. However, the Delegation took note of the representations and at the London talks (in 1957) provision was made for the protection of Malay and minority interests in Singapore. Your latest representation was considered by the All-Party Delegation but as provision for the protection of Malay and minority interests in Singapore will be written into the Constitution, there is no justification to re-open the matter in the talks in London, which, I should add, will be concerned solely with finalising the drafting of the Constitutional Instruments in accordance with the Agreement already achieved."

#### Self-Government

"We will gain self-government," declared the Chief Minister, Mr. Lim Yew Hock, in a broadcast over Radio Malaya before flying to London with two other members of the All-Party Delegation for final talks with the Colonial Office pending Singapore's new constitution granting full internal self-government to the Colony. The Chief Minister warned, however, that the gaining of self-government was only the first of the trinity of their aims. The second task was to build prosperity, and the third to ensure that the fruits of prosperity were fairly shared by democratic means within the new family of Singapore. "The same spirit of unity which has brought us so far in so few years will be not less, but more necessary, in the months and years immediately ahead," Mr. Lim declared. "A constitution, after all, provides only the machinery of government which we, of Singapore, will derive. More important is the fact that with the coming of self-government we must give it direction and efficiency. The general pattern of our future government was decided at our talks in London in April last year. Now, we must see that the details of the pattern give proper shape to our aspiration and ensure that there will be no misunderstanding through the Colonial Office and ourselves giving different interpretations."

"The healthy political and industrial peace and the unimpeded activities since the last violent subversive challenge in 1956 are eloquent of the unity which proves our case to the world in spite of the folly of the restless subversive forces who daily try to inject the poison of their restless withering fever into our growing body politic. We do not ignore their threat and Government has kept faith with you in fighting them in spite of their attempts to misrepresent facts and blacken our name. They make the need to reach agreement the more urgent because once it is reached, these distillers of this poison will stand out clearly as those who have delayed and continue to delay the coming of our new constitution and yet exploit its opportunities to smear others and attempt to glorify themselves."

"There are people among us who suggest that we have been standing still politically over the past two years. They don't seem to realise the speed and the amount of change. Already we have laid the groundwork of the new constitution in the Citizenship legislation which has brought 324,000 new citizens of Singapore with their solemn declaration of loyalty to Singapore alone. They join the old citizens as equals to give direction and power to the new constitution we are framing as our instrument for self-government. All members of the Assembly and the Council of Ministers will be elected by them and the Yang di-Pertuan Negara, as the head of State, will be a Malayan. The Officials, the Nominated Members will go. All will be elected by the people and they will have unfettered power of internal self-government."

"Surely it is a time for rejoicing that we can make that claim for the first time ever in our history. We are on the march and pressing forward. It is a time for construction

for the future and not for lamentations of the past and re-cremations in the present. It is, too, a time for concentration on our own problems and not for studying the problems of other countries as if they were more important to us than our own. With this greater responsibility, we cannot risk the dangers of disunity and deflection from our real and urgent problems. It would be a paradox and a tragedy if at the time when our family was at its biggest, our powers at their fullest and our problems at their fullest, our disunity appeared the greatest in fact or in word. These give meaning to self-government but only our own devoted and single-minded efforts can achieve them. That is challenge enough for any community at one time. *Merdeka and Majallah—Be Free and Grow—Power and Prosperity for the People*—these are matters too serious to be empty slogans: they define the assignment we pledge ourselves to fulfil."

#### Youth Leaders

Once the barriers of language and thought communication are broken down, exclusiveness within a community will disappear, Mr. L. C. Goh of the Ministry of Labour and Welfare declared when he spoke on the completion of the first Chinese-speaking Leadership Training Course sponsored by the Federation of Boys' Clubs. Mr. Goh said it was easier to break language and other communal barriers when people were young. He hoped that in due time there would be "the greatest interchange of ideas, ideals and experiences" among Singapore's many youth groups. In November last year, I had the pleasant task of launching the first Malay-speaking Leadership Training Course sponsored by the Singapore Youth Council and again this month I had the pleasure of sending a message to the Tamil Youths' Club on the occasion of its opening ceremony. On both occasions, I stressed the importance of regarding ourselves primarily as Malaysians and serving this country to the best of our ability. I feel strongly that whilst forthright encouragement should be given to vernacular languages as media of instruction to reach out to the greatest number of youths possible, we should not allow this factor to dominate our thinking on this matter."

"The Social Welfare Department formed the first Youth Club for Chinese-educated youths at Viking Avenue, Henderson Estate, in February, 1956. The Viking Youth Club proved that Chinese-educated youths welcomed opportunities for organised leisure-time activities and was a tremendous success. Building upon the energetic, intelligent and resourceful leadership material of the Viking Youth Club, the first training course for Chinese-speaking club leaders was commenced in November last year. It brought an unprecedented response, 169 applications being received from teachers, students, clerks, fitters, shopkeepers, merchants, shop assistants and farmers. Sixty-five young men and women were finally selected after four days of personal interviews and a written examination. All this is a happy augury for the future of youth work in Singapore. The need to encourage youths to participate in constructive and healthy leisure activities is now accepted as necessary by Chinese-speaking leaders as they take their rightful places amongst all those who strive for the welfare of youth in Singapore. The Club Movement, I feel confident, will be richer for their participation, and more effective because of their endeavours."

#### Singapore Trade & Tourism

Singapore's growing importance on the map of world trade, travel and tourism was stressed by the Minister for Communications and Works, Mr. Francis Thomas, when he opened Pan-American Airways new District Sales Offices in



the city. Mr. Thomas said that in history, trade and civilization had developed together. And the development of trade was an essential part of the development of Asia in the 20th century. It was in this way that Singapore had made, and would continue to make, its most vital contribution. Singapore now was at the most dramatic and crucial point of her life—both in time and geography. Singapore had been created because of the help she could give to others and when she ceased to be useful to its neighbours she would cease to exist as a great commercial centre. The Minister declared that every proof of Singapore's continued value was welcome and the opening of the new Pan-American offices could be taken as a sign that Singapore was looking to the future and was not living in the past.

#### Little Land Available

Because of Singapore's fast-growing population there now was very little land available for extension of projects involving land use, Dr. Robert Ho of the University of Malaya declared. Dr. Ho was speaking about the commencement of a Government survey on the use of all land in the rural areas at the beginning of May. Members of the Department of Geography from the University were working with members of the Master Planning Team and the Singapore Improvement Trust to complete a survey of land-use all over the Island. Why is all this information being collected? "Five years ago the first Master Plan for Singapore was published by the Improvement Trust. In that plan, recommendations were made for developing or preserving the rural areas, based on surveys done at the time. Those surveys were less detailed than that we are now undertaking. But more, so rapidly has the rural landscape changed since then that that information is now obsolete. We don't know, for instance, where many farms are sited, nor whether market gardening has increased or waned in the last five years. We don't even know how much rural land there actually is available. We cannot make any reasonable or humane plan for the rural areas and peoples of Singapore until we learn the answers to these simple questions. And to provide these answers is, in fact, the specific purpose of the present survey.

"But there are wider grounds for undertaking this survey. We live on a very small island. If the whole of this island were divided equally between every man, woman and child now living here, each of us would get a piece of ground 25 yards square. This is slightly more than one-tenth of an acre, and if it seems constricted, remember that your share must also include large amounts of swamp, and land devoted to roads, airfields and the like, leaving you with considerably less useful ground. It is because land is at such a premium in Singapore that it must be used to best advantage. We hope the information we are gathering in the land use survey will enable our planners to suggest the best possible use of that valuable, and in the ultimate, the only enduring asset we possess, the land of Singapore."

#### Pro-Chancellor for University

Hon. Malcolm MacDonald, Chancellor of the University of Malaya, appointed Mr. R. L. Eber to be Pro-Chancellor of the University. Mr. Eber was educated at St. Joseph's Institution, Singapore, and Christ's College, Cambridge, where he obtained the Degree of Bachelor of Arts in 1908. Later he was called to the Bar by the Inner Temple in 1910. He was a member of the Singapore Volunteer Corps during 1915 to 1918 and a member of the Local Defence Corps from January 1941 until the Japanese Occupation when he was interned until August 1945. Mr. Eber was one of the original mem-

bers of the first Public Services Commission from 1949 to 1952. He was also Chairman of the Singapore Bar Committee in 1946, 1956 and 1957. The Chancellor is the head of the University and, if for any reason he is unable to exercise any of his functions under the laws of the University, he may authorise any of the Pro-Chancellors to exercise such functions on his behalf.

#### Health Services

Singapore's \$2,000,000 Institute of Health was a striking addition to the Colony's health services, the Minister for Health, Mr. A. M. Braga, declared. The first impression of visitors to Singapore was not only the Island's youthfulness, but its good health. "This is not said in any complacency to suggest a slackening of effort. The battle for health must go on. We can and must do still better; and in this endless battle, there is no truce, and there can be no relaxation. Unless there is constant study, constant improvement in our equipment and facilities, and the growing co-operation of the people in maintaining their own health and that of their environment, our high standards cannot be maintained, let alone improved. The battle against disease must be planned and co-ordinated; there may be many fronts but there is only one battlefield. This co-ordination is outstandingly illustrated in this Institute of Health.

"First it is an Institute of Health; it carries its ambition in its title. And I think we can congratulate the architects who, with their bright pattern of line and light, have sought to illustrate the vitality of good health. It will continue to be yet another free tonic provided by government. Again, this Institute is a laboratory of citizenship of public health in politics—for all will work together in the service of health. Here the Health Services of the Government, of the City Council and of the University of Malaya Department of Social Medicine and Public Health will work happily and constructively together: and research, training of staff, and direct service and education for the people will be carried out together as different branches of our common task which is to maintain and raise still higher the high standards of health in Singapore. It is not only a co-operative effort within our own family of citizens but a practical example of creative international co-operation. The people of the United Kingdom through Colonial Development and Welfare Fund have made a contribution of \$1,500,000 towards the total cost of \$2,000,000.

"The Institute has the full support of the World Health Organisation who see in Singapore one of the leading training centres in public health and are increasing their assistance in teachers to train our public health staff. And the United Nations International Children's Emergency Fund has provided equipment to the value of \$60,000. This is a scheme of practical work at the service of the people, and from the experience gained here new and wider avenues to public health will be opened up. The community will be the great gainer from this striking addition to our health services. It will improve the standard of training of health staff; it will give new services to the people; it will provide the facilities for field research which are essential to our progress, by the study of our own problems and analysis of our own experience at firsthand; and with the growing reputation of the centre more research students will be attracted from the best medical schools of our region and of the world; and the social workers, co-operating with the medical services, will find here greater opportunities for successful work. And the University whose professional services will be available both for treatment of patients and for training will have greater facilities for teaching their students and carrying out their essential research.



## HONGKONG NOTES AND REPORTS

**Illegal Immigrants**—Last week, Police intercepted, once again, a motor fishing junk carrying more than 100 illegal immigrants off Waglan Island. The mistress of the vessel was fined \$5,000 or six months' imprisonment while five other members of the crew were fined \$1,000 or two months' imprisonment each. The smuggling of illegal immigrants from Macao to HK is carried on a large scale now. According to one of the illegal immigrants who managed to escape police interception, a person can arrange in Shanghai for his transport to Hongkong at a price of HK\$700, inclusive of all expenses, to be paid in Shanghai or in Hongkong. He also reported that authorities in China are now more liberal in granting exit permits to jobless people. Peking is anxious to get rid of non-productive elements and is indirectly encouraging them to come here and look up their friends and relatives. Consequently recent arrivals are mostly people with neither special talent nor money to support themselves. Sooner or later, most of them become a burden to society. Can we call them refugees? What are we going to do about this endless influx of "refugees" who are nothing but immigrants. Chinese emigration will not stop because of the Mao Tse-tung era.

**The Beggar Problem**—There are now thousands of beggars in Hongkong and Kowloon; they are not only making the life of local residents uncomfortable but also spoiling the mood of our tourists. The majority of local beggars are aggressive and demanding; they breathe down your neck and openly curse you if they get nothing from you. The so-called car cleaners are everywhere in the Colony, on main streets as well as in back lanes, not to earn an honest living from cleaning cars but to damage them if they are not paid off. They are not beggars; they are nothing but blackmailers. In residential areas, there are beggars on every street demanding money particularly from ladies and handlocked lovers. On Sundays, there are always aged beggars wherever there is a church; some stand right in front of a church and collect 'offerings' from people coming out after a service.

In the busy central district in Hongkong and in Tsimshatsui, Kowloon, there are almost as many beggars stationed in different streets as there are policemen. These beggars are comparatively better dressed than those in other areas but they are just as demanding and menacing; their favourite quarries are tourists and local foreigners. Tourists are also an easy prey to the so-called shoeshine boys; these little devils do not beg, they extort money from their victims by threatening to smear black polish over their shirts and coats if they do not quickly pay up. The Police have so far introduced no effective measure to get rid of these beggar-blackmailers. The problem probably is 'where to?' Why not send them to an island in the territorial waters of Hongkong, let them reclaim the wasteland and eventually settle on it. Any other suggestions? Let us do something about it at once!

**Dyeing & Finishing**—The Jardine Dyeing and Finishing Company recently acquired a piece of swamp land along Taipo Road near Shatin for the construction of a plant to undertake bleaching, mercerising, dyeing, printing and finishing of locally produced cotton cloth. Production capacity within three months after the factory starts operation will reach 2 million yards of cloth per month in all fields of dyeing and finishing which includes sanforising, mini-iron and crease resisting processes. Provision will be made for extension of the plant to meet future needs. At a time when HK's leading industry is beset with worries over the

loss of many traditional markets in SE Asia and the threat of restrictions in its most important market—UK—this new plant, offering modern processes, should help to instil confidence and to assist Hongkong's industry in expanding the range and improving the finish of cloth required either for export or by local garment manufacturers. New markets will also be developed, particularly in countries which prohibit imports of grey cloth to protect their domestic industries.

Site preparation is now underway. Piling has already started and work on the building will begin soon. Machinery will be installed in time to enable the factory to go into production next March. The choice of the site which covers an area of about 174,000 square feet was greatly influenced by the circumstances that three mountain streams converge just inland from the site into the Fo Tan River and that about a mile and half away in the Kau To Valley there are further streams. A dam is being built across the Fo Tan River and pipes laid in from the Kau To area to meet the requirements of the plant. The off-take from these streams will not deprive farmers in the district of their water supply. Before the water used by the plant is discharged into Shatin Cove it will pass through an Effluent Plant to ensure that the discharge contains no harmful matter.

**General Business Conditions**—At a recent meeting of the Chinese Chamber of Commerce here, a large number of local businessmen opined that the maintenance of friendly relations with China was vital to the smooth function of trade in this Colony. Mr. Ko Cheuk-hung, the Chairman, said that trade statistics for 1957 and the first five months this year indicated possible decline in trade in the second half of 1958. One member suggested that we should strengthen our trade ties with China and withdraw the embargo completely. He also urged HK traders to promote the reexport of Chinese light industrial products to SE Asia. According to some local herb medicine dealers however China's dumping of herb medicines in SE Asia has already seriously affected their reexports to Singapore, Malaya and other SE Asian markets.

Several members reported that their business had been adversely affected by the civil war in Indonesia. The bombing of ships in Indonesian waters had almost completely disrupted shipments from here to Djakarta and other Indonesian ports. Financial difficulties there in the past year had also restricted Indonesia's imports from Hongkong particularly in purchases of medicinal herbs and dyestuffs. Exports of rattan furniture to US were very active in the first 6 months last year. In the second half year, increased shipping cost greatly handicapped such shipments to America. Local silk traders reported that increased imports of silk piecegoods from Japan handicapped development of the local silk industry. The majority of local traders however reported steady business in 1957; the volume, on the whole, remained on the 1956 level.

**HK Tourist Association**—The Hongkong Tourist Association started to function officially last week in the East Wing of Peninsula Hotel. The Association has already received enquiries from abroad concerning travelling facilities in HK and other information. At present, the Association is being supported by a Government grant, but Mr. H. F. Stanley, the Executive Director, is very optimistic about its future financial aspects and independence. The Association hopes to draw its spending money from membership



fees which, according to Mr. Stanley, should reach about 1,000. On the future of HK's tourist trade, he said inter alia: Several shipping companies are going to ply more ships between HK, Europe and America. A large number of Australians are anxious to see Hongkong and have booked every available ship calling here for the next two years. Plans are being formulated to invite local traders, travel agencies and transport companies to become members of the Association. The Association will guard the privilege of membership and to ensure a high standard of integrity among them. Apart from supplying information and to promote tourism, it is the duty of the Association also to safeguard tourists from being victimised by unscrupulous traders, and thus to safeguard also the good name of Hongkong. Working with limited finance at present, the Hongkong Tourist Association is contented to be a member of the Pacific Area Travel Association and the International Union of Tourist Organisation at the moment. But when the time comes, the Association will establish an office in the west coast of America and to attract more Americans to visit this part of the world. When we have more money, we will have our own publicity man in the United States.

**New Hotel and Restaurant**—A new first-class hotel—the Astor Hotel—was opened last week in Kowloon at the corner of Carnarvon and Cornwall Roads under the management of Mr. Carlos M. Agon who was formerly the manager of Miramar Hotel. The new air-conditioned 11-storey hotel has 150 suites and rooms with attached bathrooms. For the convenience of tourists, the management has obtained the services of a reputable travel agency which will conduct local tours and help visitors in shopping. There will also be a house physician to take care of the medical needs of visitors. The rates for the suites and rooms range from \$35 to \$100 per day.

Yet another new restaurant was opened early this month in the Peninsula Court by the Hongkong & Shanghai Hotels. It is called "Marco Polo", a unique restaurant with a screen of 52 panels depicting events and scenes in Marco Polo's journey to the Orient in the 13th Century prepared after research in the British Museum, the Royal Asiatic Society, the University of Hongkong and elsewhere. It serves both European and Chinese specialities and provides dancing music every night from 8 to 1 o'clock. There are dozens of new restaurants being opened every week.

Big and small, they all want to sell food etc. If their business can be supported, prosperity here must be egregious.

**Imports of Rice, Frozen Meat and Coal**—Heavy buying on the local rice market continued throughout the month of May and prices generally continued to rise; the increase was particularly marked with regard to 100 per cent whole rice, which rose by \$2 per picul. Bangkok f.o.b. prices for most grades moved higher by ten shillings per metric ton. At the end of the month however the issue of import quotas for the third quarter of the year, together with the announcement of new conditions attached to import quotas designed to restore the length of credit to a more normal period, halted the upward trend in prices. Total rice imports in May amounted to 29,696 tons. Thailand, with 15,697 tons (52.9 per cent) was the main source of supply, followed by Cambodia with 5,251 tons (17.7 per cent), China with 5,172 tons (17.4 per cent) and Haiphong with 3,576 tons (12 per cent). Offtakes totalled 22,016 tons, representing a weekly average of 5,504 tons as compared with 5,788 tons in the preceding month and 5,018 tons in the corresponding month of 1957.

A total quantity of 654 tons of frozen meat was imported during May; offtakes totalled 393 tons. Imports of coal amounted to 17,248 tons. China was the leading supplier with 14,249 tons. Australia supplied the remaining 2,999 tons.

**Preventive Service**—Revenue Officers seized 4,618.3 pounds of tobacco in May—the largest quantity seized in any month this year. Comparative figures show that 4,607.9 pounds of tobacco were seized in January, 829 in February, 1,552.33 in March and 2,207.73 pounds in April. The biggest single seizure of 3,000 pounds in May together with about 150 pounds of cigarettes, was found in a derelict sampan moored on the British side of the Shum Chun River. A raid on a village in the Ma Cho Lung area resulted in the discovery of 528 pounds of tobacco concealed under brushwood.

Pressure was also maintained against illicit distillers. Raiding parties located 61 illicit stills and 2,591 gallons of fermenting material during May. One of the stills was of the elaborate high grade alcohol variety, situated dangerously in a crowded dwelling in Kowloon. A total of 245 gallons of Chinese-type liquor was seized from vessels and premises in different parts of the Colony.

## FINANCE & COMMERCE

### HONGKONG EXCHANGE & GOLD MARKETS

| June | U.S.\$       |             |               |              |
|------|--------------|-------------|---------------|--------------|
|      | T.T.<br>High | T.T.<br>Low | Notes<br>High | Notes<br>Low |
| 16   | \$579¾       | 579½        | 578¼          | 577¾         |
| 17   | 579¾         | 579½        | 578           | 577¾         |
| 18   | 580¾         | 579¾        | 579½          | 578¾         |
| 19   | 581          | 580         | 580¼          | 578¾         |
| 20   | 580½         | 580¼        | 579¾          | 578¾         |
| 21   | 580¼         | 580         | 578¾          | 578¾         |

D.D. rates: High 580 Low 578¼.

Trading totals: T.T. US\$4,050,000;  
Notes cash US\$335,000, forward  
US\$1,940,000; D.D. US\$420,000. The

market was quiet. Further lowering of the bank rate in London had no immediate effect on the local exchange and money markets. In the T.T. sector, business was heavy but changes in rates were small. In the Notes market, some speculators anticipated more stimulation from the situation in Lebanon. Interest favoured sellers and aggregated HK\$1.20 per US\$1,000. Positions taken by speculators averaged US\$1½ million per day. The D.D. sector continued active.

**Far Eastern Exchange:** Highest and lowest rates per foreign currency unit in HK\$: Philippines 1.78—1.7675, Japan 0.0143—0.0142, Malaya 1.873, South Vietnam 0.0716—0.0714, Laos 0.057—0.055, Cambodia 0.0835, Thai-

land 0.2723—0.2713, Indonesia 0.083—0.08. Sales: Pesos 250,000, Yen 59 million, Malayan \$270,000, Piastre 9 million, Kip 5 million, Rial 5 million, Baht 3 million, Rupiah 200,000. **Chinese Exchange:** People's Yuan notes quoted \$1.09—0.885 per Yuan. Taiwan Dollar

notes quoted \$0.14 per Dollar; remittances, 0.13325—0.13175.

**Bank Notes:** Highest and lowest rates per foreign currency unit in HK\$: England 16.12—15.1, Scotland 14.00, Ireland 13.50, Australia 12.54—12.52, New Zealand 14.30—14.29, Egypt 10.05, East Africa 15.00, South Africa 15.75—15.74, West Africa 13.00, Jamaica 13.50, Gibraltar 13.50, Malta 12.50, Cyprus 12.50, Fiji 10.00, India 1.1772, Pakistan 0.81, Ceylon 0.95, Burma 0.52, Malaya 1.853—1.839, Canada 5.975—5.935, Cuba 5.00, Argentina 0.125, Brazil 0.052, Peru 0.24, Mexico 0.40, Philippines 1.83—1.8225, Switzerland 1.33, West Germany 1.86, Italy 0.00915, Belgium 0.104, Sweden 1.02, Norway 0.72, Denmark 0.77, Netherlands 1.45, France 0.0127—0.125, South Vietnam 0.0725—0.071, Laos 0.058—0.054, Cambodia 0.0835, New Guinea 1.00, Indonesia 0.0835—0.08, Thailand 0.2705—0.266, Macao 1.00—0.999, Japan 0.0145—0.144.

### Gold Market

| June | High .945           | Low .945          | Macao .99             |
|------|---------------------|-------------------|-----------------------|
| 16   | \$251 $\frac{1}{4}$ | 251 $\frac{1}{2}$ | 262 High              |
| 17   | 251 $\frac{1}{4}$   | 251               |                       |
| 18   | 251 $\frac{1}{4}$   | 251 $\frac{1}{2}$ | Low 261 $\frac{1}{4}$ |
| 19   | 252 $\frac{1}{4}$   | 251 $\frac{1}{2}$ |                       |
| 20   | 251 $\frac{1}{4}$   | 251 $\frac{1}{2}$ |                       |
| 21   | 251 $\frac{1}{4}$   | 251 $\frac{1}{2}$ |                       |

Opening and closing prices were both at 251 $\frac{1}{4}$ ; highest and lowest, 252 $\frac{1}{4}$  and 251. The market was very quiet. Interest favoured sellers and aggregated 7 HK cents per 10 taels of .945 fine. Tradings averaged 5,050 taels per day and totalled 30,300 taels for the week, in which 6,530 taels were transacted in cash (980 taels listed and 5,550 taels arranged). Speculative positions taken averaged 5,600 taels per day. Imports

from Macao amounted to 6,000 taels. Exports totalled 5,500 taels (4,000 taels to Singapore, 1,000 taels to Rangoon, and 500 taels to Korea). Differences paid for local and Macao .39 fine were HK\$12.60—12.10 and 11.30—11.20 respectively per tael of .945 fine. Cross rates were US\$38.02—38.01 per fine ounce; 8,000 fine ounces contracted at US\$38.02 cif Macao. US double eagle old and new coins quoted \$269 and 234 respectively per coin, English Sovereigns \$59 per coin, and Mexican gold coins \$275 per coin. **Silver Market:** 500 taels of bar silver traded at \$5.55—5.50 per tael, and 600 dollar coins at \$3.58—3.54 per coin. Twenty-cent silver coins quoted \$2.75 per five coins.

## HONGKONG STOCKS AND SHARES

On the local stock exchange last week, the firm trend of the previous week was sustained by keen enquiries from big as well as small investors. Most counters were active throughout the week but Utilities, Hotels and Stores attracted the bulk of the business. Buyers however were cautious. The volume of business was therefore restrained: Monday \$277,000, Tuesday \$772,000, Wednesday \$415,000, Thursday \$696,000, Friday \$1,186,000.

A small number of shares registered fractional dips during the week under light scale profit-taking but closing rates were firmer. Fluctuations during the past three weeks followed a pattern of greater gains after small drops thus tracing a steady upward curve. At the close on Friday the market was very buoyant with more buyers than sellers.

Local investors welcome China Underwriters' announcement that "in-

terested parties may shortly make a bid for the Company's shares." These shares were quoted at \$7 ex-dividend but there were no sellers; buyers anticipated firmer prices this week.

The cut in bank rate in London by a half per cent down to five per cent had no immediate effect on the local share market. British banks here do not anticipate any change in local interest rates in the immediate future.

## TRADE REPORTS

Exports of Hongkong products to UK, US and Europe remained steady last week but HK's entrepot business was very quiet. Demand from Japan, UK and Europe for produce was selective while orders from SE Asia, chiefly from Singapore, Malaya and Thailand, covered only a few items of paper and pharmaceuticals. China was interested in metals, pharmaceuticals and chemicals but low buying offers handicapped transactions. Korea enquired for paper and other essentials but interest was centred only on a small number of items. Trading in cotton yarn, cloth, flour, sugar and cement was also sluggish. Local demand for glutinous rice, red beans, sundry provisions and fruits improved on account of the Dragon Boat Festival (June 21) but the stimulation was short-lived and the market returned to normal on Sunday.

**Trade with China—**Heavy regular imports of foodstuffs from China are helping to keep the cost of living here from skyrocketing in spite of the bursting population. On the other hand, the ever increasing imports of Chinese light industrial products, particularly of cotton goods, are providing mounting competition to similar HK products both in local sales and in exports to Europe and SE Asia. Take towel for example, Chinese products are selling on the local retail market at prices much lower than local products. Several European firms here are reexporting Mainland napery, pillow cases, bed sheets, shirts, blouses and other garments to Europe. These cotton goods from China are better in quality and much cheaper in price than similar local products. At a recent meeting of local Chinese businessmen at the Chinese Chamber of Commerce a pro-Peking trader urged local firms to promote reexports of Mainland products to overseas markets. A large number of local importers and exporters however reported that such entrepot transactions usually do not last very long because as soon as an item is well established in an overseas market, Peking deals direct with the buyer without going through HK.

**Trade with UK—**British Labour MPs appear to be deeply concerned about the well-being of HK workers! They want HK industrialists to shoulder

| Share       | June 13 | Last Week's Rate |        | Closing | Up & Down          | Dividend | Estimated Yield (%) |
|-------------|---------|------------------|--------|---------|--------------------|----------|---------------------|
|             |         | Highest          | Lowest |         |                    |          |                     |
| HK Bank     | 782.50  | 795              | 785    | 795     | +\$12.50           | \$42     | 5.28                |
| Union Ins   | 71.50b  | 75.50            | 72.50  | 75      | +\$3.50            | \$3.40   | 4.53                |
| Lombard     | 29n     | 29               | 29n    | 29n     | firm               | \$2      | 6.90                |
| Wheelock    | 6.20    | 6.25             | 6.20   | 6.25    | +5c                | 75c      | 12.00               |
| Yangtze     | 5.70b   | 5.90s            | 5.60b  | 5.80    | +10c               | 65c      | 11.21               |
| Allied Inv  | 4.80s   | 4.625s           | 4.50b  | 4.60s   | firm               | 25c      | 5.43                |
| HK & FE Inv | 10.50n  | 10.50            | 10.10b | 10.50n  | firm               | 60c      | 7.62                |
| HK Wharf    | 102n    | 101              | 100    | 101     | —\$1               | \$9      | 8.91                |
| HK Dock     | 41.50s  | 42               | 41     | 42      | +50c               | \$2      | 4.76                |
| Provident   | 12.20   | 12.50            | 12.20  | 12.50   | +30c               | \$1      | 8.00                |
| HK Land     | 33.50s  | 33.75            | 33     | 33.75   | +25c               | \$2.40   | 7.11                |
| Realty      | 1.625   | 1.65             | 1.60b  | 1.65b   | +2 $\frac{1}{2}$ c | 15c      | 9.09                |
| Hotel       | 20.70   | 21.40            | 20.70  | 21.40   | +70c               | \$1.50   | 7.01                |
| Star Ferry  | 111b    | 114s             | 112    | 113b    | +82                | \$9      | 7.96                |
| Yau-mati    | 98s     | 99               | 97.50  | 99      | +81                | \$7.50   | 7.58                |
| Trams       | 26      | 26.90            | 26     | 26.90   | +90c               | \$1.90   | 7.06                |
| Light       | 17.80   | 18.10            | 17.80  | 18.10   | +30c               | \$1.10   | 6.08                |
| Electric    | 28      | 28.50            | 28     | 28.50   | +50c               | \$1.90   | 6.67                |
| Telephone   | 27.10   | 27.50            | 27.10  | 27.50   | +40c               | \$1.50   | 5.45                |
| Cement      | 22.60   | 23               | 22.60  | 23      | +40c               | \$3      | 13.04               |
| Dairy Farm  | 17.30   | 17.70            | 17.20  | 17.70   | +40c               | \$1.80   | 10.17               |
| Watson      | 10.90   | 11.40            | 10.90  | 11.30   | +40c               | \$1      | 8.85                |
| Amal Rubber | 1.45    | 1.50             | 1.45   | 1.50    | +5c                | 20c      | 13.33               |
| Textile     | 4.60    | 4.60             | 4.60b  | XD 4b   | firm               | 60c      | 15.00               |
| Nanyang     | 7.90    | 7.90             | 7.80b  | 7.90    | firm               | \$1.10   | 13.92               |



higher labour cost so that HK goods can not compete with Chinese and other products in UK and other markets.

British importers however are more sincere and practical; they continue to buy HK grey cloth and other local products because the business is profitable. At the same time they are supplying British consumers with attractive but cheap shirts, gloves and other consumer goods. Well known British department stores such as Selfridges, Lewis's, Harrods and Racknams have appointed their own buying agents here to handle the purchase of HK manufactures. The will of a freedom-loving people reinforced by the conscience of leading diplomats will continue to defeat the hypocrisy of a few unconscionable politicians.

**Trade with Thailand**—Exports to Thailand further declined. Tight money in Bangkok handicapped purchases from here to some extent but the increased volume of direct trade between Thailand and China was the chief cause of the drop in shipments from here to that market. Last week, Bangkok bought only small lots of paper and pharmaceuticals from the local market.

**Trade with Indonesia**—Exports totaled only about 700 tons consisting chiefly of cotton textiles and metalware. Shipments to Djakarta and other Indonesian ports were few and irregular on account of the civil war there. Djakarta announced that as from July 1, no aliens will be allowed to carry on inter-island trade in Indonesia. Those already holding licences will be allowed to conduct their business for another year after which no further extensions will be allowed. No licences will be issued to new alien applicants and any licences renewed will cover specific products only. To improve the shipping facilities in Indonesia, the President of the Indonesian Ocean Lines came here last week to survey the possibility of buying or chartering five 2,000/5,000-ton cargo vessels. These ships will be placed on the Indonesia/Bangkok/Rangoon/Singapore/Malaya/Japan/Australia route. The company is also negotiating the purchase of ships from Japan.

**Trade with Malaya**—Singapore and Malaya also curtailed imports from here; orders covered only small lots of garlic, beans, sugar, paint, hurricane lantern, enamelware and sundry provisions. In addition to cheap Chinese products, large quantities of Japanese goods are flooding these two markets.

**Trade with the Philippines**—Improvement in demand from Manila during the first two months of this month was not sustained last week; purchases covered only insignificant quantities of groundnut, metals and cotton goods. The \$75 million credit President Carlos P. Garcia obtained from Washington for financing private and public development projects in the Philippines may enable importers there to buy more

essentials from HK in the near future but the volume of such purchases will not be impressive because most supplies will be procured directly from US and other manufacturing countries.

**Trade with Korea**—Seoul announced that D/P imports of woollen yarn would still be allowed if import applications had been submitted to the Government before the end of May. Applications submitted after May will not be considered. Purchases from here last week included small lots of paper and sundry goods.

**Trade with Cambodia**—Cargo movements between HK and Rannompen remained quiet. Imports of rice, beans and other staples may improve if authorities there adopt new measures to encourage shipments of these produce to the local market. There was however no immediate prospect of increasing exports from here to Cambodia.

**Trade with Laos**—Vientiane bought only insignificant quantities of canned food, cigarettes and other sundry items from here. Demand from this source remained uncertain and weak.

**Trade with Vietnam**—Saigon limited purchases from here to medicinal herbs and other essentials. The lack of sufficient foreign exchange there will continue to restrict procurements from the local market to a minimum.

**Trade with Australia**—Leading department stores in Australia such as David Jones, Charles Birks, Finney Isles and Blythes have appointed buying agents here for the purchase of HK manufactured goods. To further stimulate exports of HK products to Australia, local factories will participate in next year's Melbourne International Trade Fair. An area of 2,000 square feet for a Hongkong stand has been booked.

**Trade with Africa**—Exports to British East Africa were adversely affected by recent increase of import duties there on such items as blankets, rubber footwear, cardigans, shirts, singlets and piecegoods.

\* \* \* \*

**Produce**—Demand from Japan for a small number of popular items was retained but transactions were still restricted by short supply. Prices were steady in general particularly of items which attracted keen enquiries from Japan and other buyers. On the other hand, low buying offers kept prices from creeping higher. Europe, UK, Australia and Singapore also made selective purchases but quantities involved were also small. Interest was centred on maize, sesame, gallnut, cassia, groundnut, aniseed star, wood-oil, raw silk, garlic, feathers, menthol crystal and camphor products.

**Metals**—Enquiries from China covered galvanized iron pipe, steel plate, blackplate and tinplate waste waste;

low buying offers limited the volume of business. Exports to SE Asia were very quiet. Demand from Japan for scrap metal was not very keen; Japan procured the bulk of its supply from US. Prices of most popular items remained firm in the local market because local demand for structural steels and factory supplies continued steady.

**Paper**—Demand from local consumers sustained prices at a steady level on the local market. Exports were selective: Korea bought some cellophane, glassine and duplex board; Indanai favoured manifold and newsprint; Indonesia enquired for glassine and aluminum foil; Cambodia was interested in cigarette paper in ream; and Taiwan absorbed a small lot of m.g. pure sulphite. Chinese and Japanese products constituted the bulk of consignments to SE Asia. Local consumers mostly took Chinese goods on account of the low price. Dealers here reported that supply of some items from the Mainland was recently curtailed possibly on account of increased direct paper shipments from China to SE Asia.

**Industrial Chemicals**—China continued to make irregular purchases of a number of chemicals from the local market; interest was centred on sodium bichromate, tartaric acid, titanium dioxide, urea and citric acid. The volume of these procurements however was very small and buying offers were extremely low. Exports to Taiwan, Korea and SE Asia were very sluggish. Local demand was also weak.

**Pharmaceuticals**—Enquiries from China, Taiwan, Thailand and Singapore covered aspirin, quinine, salicylic acid, vitamin B1, gum tragacanth, gum acacia and caffeine alkaloid; most transactions fell through because stock here was short.

**Cotton Yarn**—Local yarn turned weak under the pressure of keen competition from imported brands which further declined on account of slow exports. Pakistan yarn was particularly sluggish although imports had been curtailed; indents were marked down. Local weavers and knitters temporarily suspended purchases of HK yarn because most spinners had stopped granting credits in order to close their books for the semi-annual balance of accounts. The closing down of several small weaving mills here also affected the market adversely.

**Cotton Piecegoods**—Sluggish exports and quiet local demand depressed Chinese and Japanese grey to a new low price level. Hongkong grey cloth was steady because spot goods were still thin. Large mills reported that they now have enough orders on hand to keep their looms running for a few more months but new purchases by UK and other buyers are slowing down.

**Rice**—Local demand for glutinous rice was very strong before the Dragon

(Continued on Page 831)

## HONGKONG'S TRADING PARTNERS IN 1957

## PART III

| MALAYA  |                   |                   | DIVISION   |                   |                   |
|---|-------------------|-------------------|--|-------------------|-------------------|
| DIVISION  | IMPORTS<br>H.K.\$ | EXPORTS<br>H.K.\$ |  | IMPORTS<br>H.K.\$ | EXPORTS<br>H.K.\$ |
| Live animals, chiefly for food .....  | 33,274            | —                 | Footwear .....   | 28,325            | 7,474,963         |
| Meat and meat preparations .....  | 86,506            | 2,406,629         | Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks ..... | 4,929,301         | 12,772,247        |
| Dairy products, eggs and honey .....  | 85,542            | 6,752,939         | Miscellaneous manufactured articles, n.e.s. ....   | 1,091,285         | 42,306,999        |
| Fish and fish preparations .....  | 2,102,104         | 6,176,210         | Live animals, not for food .....   | 26,400            | 21,310            |
| Cereals and cereal preparations .....   | 223,074           | 12,515,301        | Total .....  | 101,687,490       | 372,683,321       |
| Fruits and vegetables .....   | 757,406           | 55,010,442        |  |                   |                   |
| Sugar and sugar preparations .....  | 48,299            | 27,962,122        |  |                   |                   |
| Coffee, tea, cocoa, spices and manufactures thereof .....                                 | 2,519,870         | 11,580,906        |  |                   |                   |
| Feeding stuffs for animals (not including unmilled cereals) .....                         | 38,420            | 699,944           |  |                   |                   |
| Miscellaneous food preparations .....   | 443,842           | 9,677,003         |  |                   |                   |
| Beverages .....   | 1,253,715         | 1,018,877         |  |                   |                   |
| Tobacco and tobacco manufactures .....  | 73,790            | 1,052,881         |  |                   |                   |
| Hides, skins and fur skins, undressed .....   | 727,206           | —                 |  |                   |                   |
| Oil-seeds, oil nuts and oil kernels .....   | 220,880           | 1,038,622         |  |                   |                   |
| Crude rubber, including synthetic and reclaimed .....                                     | 9,567,481         | 11,256            |  |                   |                   |
| Wood, lumber and cork .....   | 9,284,740         | 3,428             |  |                   |                   |
| Pulp and waste paper .....  | 4,701             | 201,459           |  |                   |                   |
| Textile fibres and waste .....  | 163,659           | 599,532           |  |                   |                   |
| Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones ..... | 8,820             | 263,386           |  |                   |                   |
| Metalliferous ores and metal scrap .....  | 473,172           | 9,460             |  |                   |                   |
| Animal & vegetable crude materials, inedible, n.e.s. ....                                 | 8,590,381         | 18,408,784        |  |                   |                   |
| Mineral fuels, lubricants and related materials .....                                     | 31,405,959        | 156,224           |  |                   |                   |
| Animal and vegetable oils (not essential oils), fats, greases and derivatives .....       | 4,094,560         | 3,074,494         |  |                   |                   |
| Chemical elements and compounds .....   | 106,753           | 593,483           |  |                   |                   |
| Mineral tar and crude chemicals from coal, petroleum and natural gas .....                | —                 | 2,970             |  |                   |                   |
| Dyeing, tanning and colouring materials .....   | 130,840           | 6,453,871         |  |                   |                   |
| Medicinal and pharmaceutical products .....   | 872,074           | 15,004,743        |  |                   |                   |
| Essential oils and perfume materials; toilet, polishing and cleansing preparations .....  | 3,936,154         | 2,728,666         |  |                   |                   |
| Fertilizers, manufactured .....   | —                 | 1,150             |  |                   |                   |
| Explosives and miscellaneous chemical materials and products .....                        | 245,982           | 1,431,739         |  |                   |                   |
| Leather, leather manufactures, n.e.s., & dressed furs .....                               | 220,858           | 54,060            |  |                   |                   |
| Rubber manufactures, n.e.s. ....  | 185,773           | 409,999           |  |                   |                   |
| Wood and cork manufactures (excluding furniture) .....                                    | 153,859           | 351,942           |  |                   |                   |
| Paper, paperboard and manufactures thereof .....  | 86,316            | 14,564,430        |  |                   |                   |
| Textile yarn, fabrics, made-up articles and related products .....                        | 5,704,003         | 23,781,036        |  |                   |                   |
| Non-metallic mineral manufactures, n.e.s. ....  | 292,175           | 3,755,835         |  |                   |                   |
| Silver, platinum, gems and jewellery .....  | 2,345,562         | 4,418,832         |  |                   |                   |
| Base metals .....   | 2,282,166         | 1,282,697         |  |                   |                   |
| Manufactures of metals .....  | 1,981,098         | 12,272,859        |  |                   |                   |
| Machinery other than electric .....   | 1,973,722         | 2,470,941         |  |                   |                   |
| Electric machinery, apparatus and appliances .....  | 432,892           | 3,268,082         |  |                   |                   |
| Transport equipment .....   | 2,123,241         | 3,905,906         |  |                   |                   |
| Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings ..... | 3,193             | 3,548,802         |  |                   |                   |
| Furniture and fixtures .....  | 45,177            | 1,150,471         |  |                   |                   |
| Travel goods, handbags and similar articles .....   | 1,456             | 1,296,736         |  |                   |                   |
| Clothing .....  | 281,484           | 48,738,653        |  |                   |                   |

## PAKISTAN

| DIVISION   | IMPORTS<br>H.K.\$ | EXPORTS<br>H.K.\$ |
|--|-------------------|-------------------|
| Meat and meat preparations .....   | —                 | 9,311             |
| Dairy products, eggs and honey .....   | —                 | 1,617             |
| Fish and fish preparations .....   | 413,349           | 1,770             |
| Cereals and cereal preparations .....  | —                 | 2,210             |
| Fruits and vegetables .....  | 391,139           | 20,538            |
| Coffee, tea, cocoa, spices and manufactures thereof .....  | —                 | 1,983             |
| Miscellaneous food preparations .....  | —                 | 58,262            |
| Beverages .....  | —                 | 119,177           |
| Tobacco and tobacco manufactures .....   | —                 | 9,264             |
| Oil-seeds, oil nuts and oil kernels .....  | —                 | 200               |
| Pulp and waste paper .....   | —                 | 1,380             |
| Textile fibres and waste .....   | 32,159,432        | —                 |
| Crude fertilizers and crude minerals, excluding coal, petroleum and precious stones .....                  | —                 | 5,532             |
| Animal & vegetable crude materials, inedible, n.e.s. ....  | 50,130            | 724,663           |
| Animal and vegetable oils (not essential oils), fats, greases and derivatives .....                        | —                 | 2,377             |
| Chemical elements and compounds .....  | —                 | 118,942           |
| Dyeing, tanning and colouring materials .....  | —                 | 210,566           |
| Medicinal and pharmaceutical products .....  | —                 | 310               |
| Essential oils and perfume materials; toilet, polishing and cleansing preparations .....                   | —                 | 850               |
| Explosives and miscellaneous chemical materials and products .....   | —                 | 5,332             |
| Paper, paperboard and manufactures thereof .....   | —                 | 1,016             |
| Textile yarn, fabrics, made-up articles and related products .....   | 58,918,130        | 216,434           |
| Non-metallic mineral manufactures, n.e.s. ....   | —                 | 10,176            |
| Silver, platinum, gems and jewellery .....   | —                 | 2,300             |
| Manufactures of metals .....   | —                 | 947,163           |
| Machinery other than electric .....  | —                 | 239,611           |
| Electric machinery, apparatus and appliances .....   | —                 | 759,952           |
| Transport equipment .....  | 69,040            | 60,725            |
| Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings .....                  | —                 | 441,090           |
| Furniture and fixtures .....   | —                 | 37,300            |
| Travel goods, handbags and similar articles .....  | 1,200             | 5,251             |
| Clothing .....   | —                 | 124,588           |
| Footwear .....   | 800               | 1,955             |
| Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks ..... | —                 | 40,653            |
| Miscellaneous manufactured articles, n.e.s. ....   | —                 | 131,798           |
| Live animals, not for food .....   | —                 | 2,696             |
| Total .....  | 92,003,220        | 4,316,992         |



| MEDITERRANEAN TERRITORIES, BRITISH   |         |           | DIVISION   |         | IMPORTS   | EXPORTS   |
|--|---------|-----------|--|---------|-----------|-----------|
| DIVISION   | IMPORTS | EXPORTS   |  |         | H.K.\$    | H.K.\$    |
| Fish and fish preparations .....   | —       | 814       | Manufactures of metals .....   | —       | —         | 675,515   |
| Fruits and vegetables .....  | —       | 5,098     | Machinery other than electric .....  | —       | —         | 3,450     |
| Coffee, tea, cocoa, spices and<br>manufactures thereof .....   | —       | 1,260     | Electric machinery, apparatus and<br>appliances .....  | —       | —         | 32,949    |
| Miscellaneous food preparations .....  | —       | 1,253     | Prefabricated buildings; sanitary,<br>plumbing, heating & lighting<br>fixtures & fittings .....              | —       | —         | 303,573   |
| Beverages .....  | 4,819   | —         | Furniture and fixtures .....   | —       | —         | 70,368    |
| Tobacco and tobacco manufactures   | 2,600   | —         | Travel goods, handbags and similar<br>articles .....   | —       | —         | 169,670   |
| Wood, lumber and cork .....  | —       | 672       | Clothing .....   | —       | —         | 5,779,809 |
| Animal & vegetable crude materials,<br>inedible, n.e.s. ....   | 5,490   | 18,310    | Footwear .....   | —       | —         | 196,627   |
| Dyeing, tanning and colouring<br>materials .....   | —       | 1,700     | Professional, scientific and control-<br>ling instruments; photographic &<br>optical goods; watches & clocks | —       | —         | 3,100     |
| Leather, leather manufactures,<br>n.e.s., & dressed furs .....   | —       | 524       | Miscellaneous manufactured arti-<br>cles, n.e.s. ....  | —       | —         | 351,267   |
| Rubber manufactures, n.e.s. ....   | —       | 3,871     | Total .....  | 265,731 | 9,657,102 |           |
| Wood and cork manufactures (ex-<br>cluding furniture) .....  | —       | 8,025     |  |         |           |           |
| Paper, paperboard and manufac-<br>tures thereof .....  | —       | 11,734    |  |         |           |           |
| Textile yarn, fabrics, made-up<br>articles and related products .....  | —       | 1,942,389 |  |         |           |           |
| Non-metallic mineral manufactures,<br>n.e.s. ....  | —       | 46,236    |  |         |           |           |
| Silver, platinum, gems and<br>jewellery .....  | —       | 44,029    |  |         |           |           |
| Manufactures of metals .....   | —       | 436,314   |  |         |           |           |
| Electric machinery, apparatus and<br>appliances .....  | —       | 105,717   |  |         |           |           |
| Transport equipment .....  | —       | 13,275    |  |         |           |           |
| Prefabricated buildings; sanitary,<br>plumbing, heating & lighting<br>fixtures & fittings .....              | —       | 182,484   |  |         |           |           |
| Furniture and fixtures .....   | —       | 33,134    |  |         |           |           |
| Travel goods, handbags and similar<br>articles .....   | —       | 77,739    |  |         |           |           |
| Clothing .....   | —       | 2,959,158 |  |         |           |           |
| Footwear .....   | —       | 632,036   |  |         |           |           |
| Professional, scientific and control-<br>ling instruments; photographic &<br>optical goods; watches & clocks | —       | 5,844     |  |         |           |           |
| Miscellaneous manufactured arti-<br>cles, n.e.s. ....  | —       | 624,565   |  |         |           |           |
| Total .....  | 12,909  | 7,156,181 |  |         |           |           |

  

| AUSTRALIA  |            |            | DIVISION   |            | IMPORTS    | EXPORTS |
|--|------------|------------|--|------------|------------|---------|
| DIVISION   | IMPORTS    | EXPORTS    |  |            | H.K.\$     | H.K.\$  |
| Live animals, chiefly for food .....   | 507,817    | —          | Meat and meat preparations .....   | 14,752,212 | 330        |         |
| Meat and meat preparations .....   | 14,752,212 | 330        | Dairy products, eggs and honey .....   | 10,021,179 | —          |         |
| Dairy products, eggs and honey .....   | 10,021,179 | —          | Fish and fish preparations .....   | 85,362     | 390,205    |         |
| Fish and fish preparations .....   | 85,362     | 390,205    | Cereals and cereal preparations .....  | 23,995,230 | 149,178    |         |
| Cereals and cereal preparations .....  | 23,995,230 | 149,178    | Fruits and vegetables .....  | 1,837,333  | 1,512,624  |         |
| Fruits and vegetables .....  | 1,837,333  | 1,512,624  | Sugar and sugar preparations .....   | 16,050,969 | 26,723     |         |
| Sugar and sugar preparations .....   | 16,050,969 | 26,723     | Coffee, tea, cocoa, spices and<br>manufactures thereof .....                                     | 11,306     | 1,250,107  |         |
| Coffee, tea, cocoa, spices and<br>manufactures thereof .....                                     | 11,306     | 1,250,107  | Feeding stuffs for animals (not<br>including unmilled cereals) .....                             | 610,579    | 62,393     |         |
| Feeding stuffs for animals (not<br>including unmilled cereals) .....                             | 610,579    | 62,393     | Miscellaneous food preparations .....  | 147,928    | 445,019    |         |
| Miscellaneous food preparations .....  | 147,928    | 445,019    | Beverages .....  | 308,629    | 63,459     |         |
| Beverages .....  | 308,629    | 63,459     | Tobacco and tobacco manufactures   | 56,927     | 507        |         |
| Tobacco and tobacco manufactures   | 56,927     | 507        | Hides, skins and fur skins, un-<br>dressed .....   | 171,292    | —          |         |
| Hides, skins and fur skins, un-<br>dressed .....   | 171,292    | —          | Oil-seeds, oil nuts and oil kernels ..   | 5,435      | 433,238    |         |
| Oil-seeds, oil nuts and oil kernels ..   | 5,435      | 433,238    | Wood, lumber and cork .....  | 901,454    | 962,572    |         |
| Wood, lumber and cork .....  | 901,454    | 962,572    | Pulp and waste paper .....   | 1,600      | 1,398      |         |
| Pulp and waste paper .....   | 1,600      | 1,398      | Textile fibres and waste .....   | 10,543,201 | 37,378     |         |
| Textile fibres and waste .....   | 10,543,201 | 37,378     | Crude fertilizers and crude minerals,<br>excluding coal, petroleum and<br>precious stones .....  | 2,071      | 26         |         |
| Crude fertilizers and crude minerals,<br>excluding coal, petroleum and<br>precious stones .....  | 2,071      | 26         | Metalliferous ores and metal scrap   | 1,227,342  | 32,648     |         |
| Metalliferous ores and metal scrap   | 1,227,342  | 32,648     | Animal & vegetable crude materials,<br>inedible, n.e.s. ....                                     | 1,593,923  | 2,445,155  |         |
| Animal & vegetable crude materials,<br>inedible, n.e.s. ....                                     | 1,593,923  | 2,445,155  | Mineral fuels, lubricants and re-<br>lated materials .....                                       | 656,656    | 38,400     |         |
| Mineral fuels, lubricants and re-<br>lated materials .....                                       | 656,656    | 38,400     | Animal and vegetable oils (not<br>essential oils), fats, greases and<br>derivatives .....        | 398,795    | 3,430,252  |         |
| Animal and vegetable oils (not<br>essential oils), fats, greases and<br>derivatives .....        | 398,795    | 3,430,252  | Chemical elements and compounds  | 511,965    | 434,249    |         |
| Chemical elements and compounds  | 511,965    | 434,249    | Dyeing, tanning and colouring<br>materials .....   | 202,104    | 72,688     |         |
| Dyeing, tanning and colouring<br>materials .....   | 202,104    | 72,688     | Medicinal and pharmaceutical pro-<br>ducts .....   | 599,021    | 7,040,577  |         |
| Medicinal and pharmaceutical pro-<br>ducts .....   | 599,021    | 7,040,577  | Essential oils and perfume ma-<br>terials; toilet, polishing and<br>cleansing preparations ..... | 316,884    | 372,701    |         |
| Essential oils and perfume ma-<br>terials; toilet, polishing and<br>cleansing preparations ..... | 316,884    | 372,701    | Fertilizers, manufactured .....  | 520        | —          |         |
| Fertilizers, manufactured .....  | 520        | —          | Explosives and miscellaneous<br>chemical materials and products                                  | 755,329    | 1,235,254  |         |
| Explosives and miscellaneous<br>chemical materials and products                                  | 755,329    | 1,235,254  | Leather, leather manufactures,<br>n.e.s., & dressed furs .....                                   | 7,563,781  | 58,107     |         |
| Leather, leather manufactures,<br>n.e.s., & dressed furs .....                                   | 7,563,781  | 58,107     | Rubber manufactures, n.e.s. ....   | 73,856     | 309        |         |
| Rubber manufactures, n.e.s. ....   | 73,856     | 309        | Wood and cork manufactures (ex-<br>cluding furniture) .....                                      | 52,420     | 161,764    |         |
| Wood and cork manufactures (ex-<br>cluding furniture) .....                                      | 52,420     | 161,764    | Paper, paperboard and manufac-<br>tures thereof .....  | 6,413      | 69,566     |         |
| Paper, paperboard and manufac-<br>tures thereof .....  | 6,413      | 69,566     | Textile yarn, fabrics, made-up<br>articles and related products .....                            | 129,610    | 20,472,773 |         |
| Textile yarn, fabrics, made-up<br>articles and related products .....                            | 129,610    | 20,472,773 | Non-metallic mineral manufactures,<br>n.e.s. ....  | 6,086      | 1,232,161  |         |
| Non-metallic mineral manufactures,<br>n.e.s. ....  | 6,086      | 1,232,161  |  |            |            |         |

  

| ADEN   |         |         | DIVISION |  | IMPORTS | EXPORTS |
|--|---------|---------|----------|--|---------|---------|
| DIVISION   | IMPORTS | EXPORTS |          |  | H.K.\$  | H.K.\$  |
| Fish and fish preparations .....   | 34,316  | 60      |          |  |         |         |
| Fruits and vegetables .....  | —       | 18,708  |          |  |         |         |
| Sugar and sugar preparations .....   | —       | 231,520 |          |  |         |         |
| Coffee, tea, cocoa, spices and<br>manufactures thereof .....                                     | —       | 105,314 |          |  |         |         |
| Miscellaneous food preparations .....  | —       | 2,025   |          |  |         |         |
| Metalliferous ores and metal scrap   | 100,695 | —       |          |  |         |         |
| Animal & vegetable crude materials,<br>inedible, n.e.s. ....                                     | 130,720 | 76,843  |          |  |         |         |
| Dyeing, tanning and colouring<br>materials .....   | —       | 4,638   |          |  |         |         |
| Medicinal and pharmaceutical pro-<br>ducts .....   | —       | 1,453   |          |  |         |         |
| Essential oils and perfume ma-<br>terials; toilet, polishing and<br>cleansing preparations ..... | —       | 8,920   |          |  |         |         |
| Explosives and miscellaneous<br>chemical materials and products                                  | —       | 581,691 |          |  |         |         |
| Wood and cork manufactures (ex-<br>cluding furniture) .....                                      | —       | 55,573  |          |  |         |         |
| Paper, paperboard and manufac-<br>tures thereof .....  | —       | 2,100   |          |  |         |         |
| Textile yarn, fabrics, made-up<br>articles and related products .....                            | —       | 884,258 |          |  |         |         |
| Non-metallic mineral manufactures,<br>n.e.s. ....  | —       | 21,842  |          |  |         |         |
| Silver, platinum, gems and<br>jewellery .....  | —       | 75,829  |          |  |         |         |

## HONGKONG'S TRADE IN MAY AND JANUARY-MAY 1958

The value of Hongkong's exports during May, at \$230.47 million, fell by \$14.06 m compared with the preceding month. Imports, at \$370.17 m, declined by \$18.33 m. Of the total decrease in exports, \$8.28 m was accounted for by reduced exports of products wholly or principally of Hongkong origin. The totals for May, compared with those for the corresponding month in 1957, showed a decrease of \$24.84 m in exports and \$67.35 m in imports.

Total exports during the first five months of the year amounted to \$1,168.26 m, a decrease of \$184.35 m compared with those for the same period last year; imports fell by \$421.83 m to \$1,876.49. The fall in exports was attributable mainly to heavy reductions in shipments to Indonesia (\$108.58 m) and Japan (\$102.69 m). However, exports to the United States increased significantly from \$70.17 m to \$123.77 m, and to the United Kingdom from \$135.13 m to \$162.73 m. On the import side most principal countries showed a drop in value, notably the United Kingdom, Japan and Belgium, down by \$67.72 m, \$67.07 m and \$55.06 m respectively. The following table shows the important changes in the direction of the Colony's trade for the first five months of the year compared with the corresponding period in 1957:

## EXPORTS

| Country              | Total for<br>Jan./May<br>1958 | Total for<br>Jan./May<br>1957 | Increase/<br>Decrease |
|----------------------|-------------------------------|-------------------------------|-----------------------|
|                      | \$ Million                    | \$ Million                    | \$ Million            |
| United States .....  | 123.77                        | 70.17                         | + 53.60               |
| United Kingdom ..... | 162.73                        | 135.13                        | + 27.61               |
| Indonesia .....      | 83.90                         | 192.48                        | — 108.58              |
| Japan .....          | 47.22                         | 149.91                        | — 102.69              |
| China .....          | 33.32                         | 51.84                         | — 18.52               |
| Laos .....           | 11.56                         | 22.87                         | — 11.31               |
| Burma .....          | 11.18                         | 21.83                         | — 10.70               |

## DIVISION

## IMPORTS

## EXPORTS

|  | H.K.\$      | H.K.\$     |
|--|-------------|------------|
| Silver, platinum, gems and jewellery .....   | 141,210     | 271,166    |
| Base metals .....  | 11,441,827  | 31,584     |
| Manufactures of metals .....   | 1,091,406   | 989,169    |
| Machinery other than electric .....  | 1,017,993   | 98,149     |
| Electric machinery, apparatus and appliances .....   | 563,967     | 256,522    |
| Transport equipment .....  | 4,014,953   | 2,351,606  |
| Prefabricated buildings; sanitary, plumbing, heating & lighting fixtures & fittings .....                  | 19,403      | 1,705,398  |
| Furniture and fixtures .....   | 2,419       | 1,195,819  |
| Travel goods, handbags and similar articles .....  | —           | 1,050,524  |
| Clothing .....   | 9,507       | 8,925,331  |
| Footwear .....   | 2,278       | 723,514    |
| Professional, scientific and controlling instruments; photographic & optical goods; watches & clocks ..... | 30,679      | 146,097    |
| Miscellaneous manufactured articles, n.e.s. ....   | 223,331     | 5,314,939  |
| Live animals, not for food .....   | 295,739     | 28,660     |
| Total Merchandise .....  | 112,959,941 | 65,520,739 |
| Gold and specie .....  | 161,700,062 | —          |
| Grand Total .....  | 274,660,003 | 65,520,739 |

(To be Continued)

| Commodity   | Total for<br>Jan./May<br>1958 | Total for<br>Jan./May<br>1957 | Increase/<br>Decrease |
|---|-------------------------------|-------------------------------|-----------------------|
|   | \$ Million                    | \$ Million                    | \$ Million            |
| Clothing .....                                      | 212.24                        | 169.77                        | + 42.47               |
| Base metals .....                                   | 20.51                         | 71.46                         | — 50.94               |
| Textile yarn and piece-goods .....                  | 280.62                        | 326.55                        | — 45.93               |
| Textile fibres .....                                | 11.82                         | 52.97                         | — 41.15               |
| Ores and metal scrap .....                          | 15.83                         | 52.43                         | — 36.65               |
| Inedible animal and vegetable crude materials ..... | 41.76                         | 55.30                         | — 13.54               |

## IMPORTS

| Country              | Total for<br>Jan./May<br>1958 | Total for<br>Jan./May<br>1957 | Increase/<br>Decrease |
|----------------------|-------------------------------|-------------------------------|-----------------------|
|                      | \$ Million                    | \$ Million                    | \$ Million            |
| Cambodia .....       | 35.89                         | 21.01                         | + 14.88               |
| United Kingdom ..... | 221.95                        | 289.67                        | — 67.72               |
| Japan .....          | 267.88                        | 334.95                        | — 67.07               |
| Belgium .....        | 19.65                         | 74.71                         | — 55.06               |
| U.S.A. ....          | 203.10                        | 240.62                        | — 37.52               |
| Pakistan .....       | 18.35                         | 50.79                         | — 32.45               |
| India .....          | 13.93                         | 45.24                         | — 31.31               |
| Taiwan .....         | 14.45                         | 42.41                         | — 27.97               |
| Switzerland .....    | 64.55                         | 82.39                         | — 17.83               |
| Thailand .....       | 75.02                         | 89.70                         | — 14.68               |
| West Germany .....   | 55.27                         | 69.43                         | — 14.16               |
| Italy .....          | 16.45                         | 28.50                         | — 12.05               |
| Egypt .....          | 0.03                          | 10.51                         | — 10.48               |
| Philippines .....    | 3.96                          | 14.16                         | — 10.21               |

| Commodity  | Total for<br>Jan./May<br>1958 | Total for<br>Jan./May<br>1957 | Increase/<br>Decrease |
|--|-------------------------------|-------------------------------|-----------------------|
|  | \$ Million                    | \$ Million                    | \$ Million            |
| Live animals chiefly for food .....  | 87.15                         | 63.84                         | + 23.31               |
| Cereals and cereal preparations .....  | 145.53                        | 124.64                        | + 20.89               |
| Medicinal and pharmaceutical products .....                                      | 40.00                         | 29.01                         | — 10.99               |
| Base metals .....  | 71.61                         | 216.40                        | — 144.79              |
| Textile yarn and piece-goods .....   | 305.88                        | 399.80                        | — 93.91               |
| Textile fibres .....   | 109.17                        | 164.57                        | — 55.40               |
| Inedible animal and vegetable crude materials .....                              | 54.44                         | 88.80                         | — 34.36               |
| Ores and metal scrap .....   | 2.95                          | 29.74                         | — 26.79               |
| Scientific instruments, photographic and optical goods; watches and clocks ..... | 74.35                         | 100.53                        | — 26.18               |
| Paper, paperboard and manufactures .....   | 45.78                         | 60.24                         | — 14.46               |
| Meat and meat preparations .....   | 21.44                         | 33.29                         | — 11.86               |
| Sugar and sugar preparations .....   | 32.24                         | 43.76                         | — 11.52               |
| Transport equipment .....  | 39.85                         | 50.30                         | — 10.46               |



The value and volume of trade conducted through the post in May were: (1) No. of returns received, 215; (2) No. of parcels despatched, 4,030 (Value, \$1,140,276); (3) No. of parcels received, 2,370 (Value, \$1,890,184).

**Exports of Hongkong Products**—Exports of products wholly or principally of Hongkong origin during May were valued at \$106.18 m, a decrease of \$8.28 m compared with the preceding month. The May 1958 total represented 46.1 per cent of the Colony's total exports for the month and was higher by \$6.69 m than that for the corresponding month in 1957. A comparison of the totals for the first five months of 1958 and 1957 showed an increase in 1958 of \$26.84 m. Exports to the whole of the British Commonwealth increased by \$28.86 m, of which the United Kingdom alone accounted for \$25.68 m. Increases were also recorded in exports to America (\$38.48 m) and Europe (\$12.75 m), the principal countries affected being the United States and West Germany, up by \$38.82 m and \$7.70 m respectively. Exports to Indonesia fell considerably from \$46.99 m to \$21.89 m. Other countries showing a decrease in value included the Philippines (\$6.15 m), Burma (\$5.93 m), Africa, not elsewhere stated, (\$5.06 m) and Laos (\$4.53 m). The following table shows the important changes in the exports of Hongkong products during the first five months of 1958 compared with the corresponding period in 1957.

| Country                               | Total for<br>Jan./May<br>1958 | Total for<br>Jan./May<br>1957 | Increase/<br>Decrease |
|---------------------------------------|-------------------------------|-------------------------------|-----------------------|
|                                       | \$ Million                    | \$ Million                    | \$ Million            |
| U.S.A. ....                           | 85.95                         | 47.13                         | + 38.82               |
| United Kingdom .....                  | 139.15                        | 113.48                        | + 25.68               |
| West Germany .....                    | 14.63                         | 6.93                          | + 7.70                |
| Malaya .....                          | 47.61                         | 41.69                         | + 5.92                |
| Nigeria .....                         | 13.67                         | 8.87                          | + 4.80                |
| Indonesia .....                       | 21.89                         | 46.99                         | — 25.10               |
| Philippines .....                     | 9.50                          | 15.65                         | — 6.15                |
| Burma .....                           | 2.38                          | 8.30                          | — 5.93                |
| Africa, not elsewhere<br>stated ..... | 6.52                          | 11.58                         | — 5.06                |
| Laos .....                            | 3.26                          | 7.79                          | — 4.53                |

| Commodity  | Total for<br>Jan./May<br>1958 | Total for<br>Jan./May<br>1957 | Increase/<br>Decrease |
|--|-------------------------------|-------------------------------|-----------------------|
|  | \$ Million                    | \$ Million                    | \$ Million            |
| Outerwear, other than<br>knitted, not embroi-<br>dered, not elsewhere<br>stated .....                          | 87.88                         | 46.97                         | + 40.91               |
| Toys and games .....   | 27.16                         | 20.39                         | + 6.77                |
| Footwear .....   | 40.04                         | 34.09                         | + 5.95                |
| Cotton piecegoods .....  | 92.63                         | 87.65                         | + 4.98                |
| Underwear and nightwear,<br>knit or made of knitted<br>fabrics (except<br>cotton singlets and<br>shirts) ..... | 16.82                         | 11.86                         | + 4.96                |
| Cotton yarn .....  | 34.08                         | 49.87                         | — 15.78               |
| Electric torches .....   | 10.95                         | 18.50                         | — 7.55                |
| Shirts .....   | 29.06                         | 33.64                         | — 4.58                |

Major exports of Hongkong manufactures during the first five months of the year in order of importance were: cotton piecegoods; outerwear, other than knitted, not embroidered; footwear; cotton yarn; shirts; enamelware; toys and games; gloves of all materials (except rubber gloves); underwear and nightwear, knit or made of knitted fabrics (except cotton singlets and shirts); cotton singlets; furniture of vegetable plaiting materials (bamboo, straw, willow, etc.); and electric torches.

**Certification of Hongkong Products**—Twenty-nine factories were registered for the issue of Certificates of Origin and/or Imperial Preference Certificates and twelve for the issue of Comprehensive Certificates of Origin. Application for registration was refused in twenty-three cases, seven of which were for the issue of Comprehensive Certificates of Origin. Eleven factories were removed from the register. Registration was restored to eight factories and registration of twelve factories suspended. Certificates of Origin of all kinds and Imperial Preference Certificates prepared and/or signed during the month numbered 19,957 and covered goods to a declared value of \$67,480,998.

## IMPORTS AND EXPORTS

### (BY COUNTRIES)

| Country                             | May<br>1958             | Jan./May<br>1958 | Jan./May<br>1957 | May<br>1958             | Jan./May<br>1958 | Jan./May<br>1957 |
|-------------------------------------|-------------------------|------------------|------------------|-------------------------|------------------|------------------|
|                                     | IMPORTS<br>HK\$ Million |                  |                  | EXPORTS<br>HK\$ Million |                  |                  |
| <b>British Commonwealth</b>         |                         |                  |                  |                         |                  |                  |
| Aden .....                          | —                       | 0.04             | 0.13             | 0.78                    | 3.51             | 4.43             |
| Australia .....                     | 10.42                   | 44.36            | 50.11            | 6.27                    | 30.34            | 22.58            |
| Br. Borneo .....                    | 2.38                    | 12.96            | 19.65            | 3.20                    | 17.15            | 17.93            |
| Br. E. Africa .....                 | 3.03                    | 29.87            | 25.75            | 2.23                    | 10.46            | 12.86            |
| Br. Mediterranean Territories ..... | 0.03                    | 0.08             | —                | 0.51                    | 2.73             | 3.60             |
| Br. Oceania, n.e.s. ....            | 0.07                    | 1.31             | 0.84             | 0.14                    | 0.72             | 1.20             |
| Br. W. Africa, n.e.s. ....          | —                       | —                | —                | 1.25                    | 5.76             | 9.49             |
| Br. W. Indies .....                 | 0.10                    | 0.13             | 0.13             | 2.38                    | 9.06             | 8.97             |
| Canada .....                        | 2.91                    | 18.33            | 25.52            | 3.33                    | 19.78            | 17.00            |

| Country                          | May<br>1958             | Jan./May<br>1958 | Jan./May<br>1957 | May<br>1958             | Jan./May<br>1958 | Jan./May<br>1957 |
|----------------------------------|-------------------------|------------------|------------------|-------------------------|------------------|------------------|
|                                  | IMPORTS<br>HK\$ Million |                  |                  | EXPORTS<br>HK\$ Million |                  |                  |
| Central African Federation ..... | 0.08                    | 1.69             | 1.57             | 0.98                    | 4.51             | 6.40             |
| Ceylon .....                     | 0.33                    | 2.42             | 2.74             | 1.57                    | 5.96             | 6.48             |
| Fiji .....                       | —                       | —                | 0.05             | 0.49                    | 1.82             | 0.82             |
| India .....                      | 2.34                    | 13.93            | 45.24            | 1.23                    | 3.77             | 7.19             |
| Malaya .....                     | 11.10                   | 41.29            | 42.11            | 29.66                   | 171.17           | 163.61           |
| Mauritius .....                  | 0.01                    | 5.59             | 0.09             | 0.73                    | 2.55             | 1.89             |
| New Zealand .....                | 0.38                    | 1.01             | 3.08             | 0.68                    | 6.52             | 5.82             |
| Nigeria .....                    | —                       | —                | —                | 2.75                    | 16.14            | 10.18            |
| Pakistan .....                   | 3.13                    | 18.35            | 50.79            | 0.29                    | 1.28             | 1.75             |
| Union of S. Africa .....         | 4.25                    | 24.17            | 17.43            | 2.59                    | 13.85            | 16.89            |
| United Kingdom .....             | 38.08                   | 221.95           | 289.67           | 29.78                   | 162.73           | 135.13           |
| Br. Commonwealth, n.e.s. ....    | —                       | —                | 0.14             | 0.03                    | 0.13             | 0.07             |
| Asia                             |                         |                  |                  |                         |                  |                  |
| Burma .....                      | 1.59                    | 6.04             | 10.25            | 1.95                    | 11.18            | 21.88            |
| Cambodia .....                   | 5.94                    | 35.89            | 21.01            | 3.02                    | 12.64            | 17.72            |
| China .....                      | 103.30                  | 482.52           | 483.07           | 9.79                    | 33.32            | 51.84            |
| Taiwan .....                     | 3.26                    | 14.45            | 42.41            | 6.33                    | 26.46            | 23.83            |
| Indonesia .....                  | 6.90                    | 48.15            | 49.37            | 12.80                   | 83.90            | 192.48           |
| Japan .....                      | 46.31                   | 267.88           | 334.95           | 10.69                   | 47.22            | 149.91           |
| Laos .....                       | 0.05                    | 0.08             | 0.03             | 2.41                    | 11.56            | 22.87            |
| Macao .....                      | 2.95                    | 16.28            | 16.60            | 4.42                    | 24.48            | 26.70            |
| Middle and Near East .....       | 4.83                    | 30.71            | 25.91            | 4.86                    | 18.72            | 13.82            |
| North Korea .....                | —                       | —                | —                | —                       | 0.02             | —                |
| North Vietnam .....              | 2.47                    | 7.47             | 7.89             | 2.05                    | 9.34             | 15.38            |
| Philippines .....                | 0.89                    | 3.96             | 14.16            | 5.15                    | 20.11            | 29.37            |
| South Korea .....                | 0.61                    | 2.19             | 10.32            | 4.04                    | 26.70            | 32.72            |
| South Vietnam .....              | 0.01                    | 1.42             | 2.34             | 1.36                    | 7.60             | 13.01            |
| Thailand .....                   | 16.35                   | 75.02            | 89.70            | 17.51                   | 84.46            | 79.69            |
| Asia, n.e.s. ....                | —                       | —                | 0.01             | 0.02                    | 0.67             | 1.07             |
| Europe                           |                         |                  |                  |                         |                  |                  |
| Austria .....                    | 0.99                    | 5.83             | 6.71             | 0.01                    | 0.03             | 0.03             |
| Belgium .....                    | 4.39                    | 19.65            | 74.71            | 1.22                    | 7.30             | 6.05             |
| Czechoslovakia .....             | 0.52                    | 2.34             | 4.46             | —                       | —                | —                |
| Denmark .....                    | 0.58                    | 5.73             | 3.27             | 0.22                    | 1.98             | 2.40             |
| East Europe, n.e.s. ....         | 0.43                    | 2.01             | 2.63             | —                       | —                | —                |
| France .....                     | 2.72                    | 12.59            | 18.81            | 1.06                    | 3.71             | 7.91             |
| West Germany .....               | 11.79                   | 55.27            | 69.43            | 5.11                    | 21.99            | 17.41            |
| Italy .....                      | 3.09                    | 16.45            | 28.50            | 0.72                    | 2.83             | 4.73             |
| Netherlands .....                | 5.90                    | 28.52            | 36.57            | 1.86                    | 8.11             | 9.73             |
| Norway .....                     | 0.61                    | 2.47             | 5.55             | 0.53                    | 3.56             | 3.43             |
| Sweden .....                     | 1.71                    | 8.88             | 12.40            | 1.12                    | 6.35             | 4.13             |
| Switzerland .....                | 11.18                   | 64.55            | 82.39            | 0.35                    | 1.89             | 1.23             |
| U.S.S.R. ....                    | 0.04                    | 0.09             | —                | —                       | —                | —                |
| Europe, n.e.s. ....              | 0.81                    | 3.22             | 6.14             | 0.49                    | 2.21             | 1.21             |
| Africa                           |                         |                  |                  |                         |                  |                  |
| Belgian Congo .....              | —                       | —                | 0.26             | 0.92                    | 3.33             | 6.71             |
| Egypt .....                      | 0.02                    | 0.03             | 10.51            | 0.01                    | 0.08             | 0.17             |
| Fr. Equatorial & W. Africa ..... | —                       | 0.01             | —                | 2.04                    | 15.87            | 11.38            |
| Fr. N. Africa .....              | —                       | —                | 0.01             | 0.12                    | 0.54             | 1.48             |
| Madagascar .....                 | 0.01                    | 0.29             | 0.04             | 0.19                    | 1.48             | 2.43             |
| Africa, n.e.s. ....              | 0.10                    | 0.31             | 0.10             | 2.00                    | 8.86             | 14.76            |
| America                          |                         |                  |                  |                         |                  |                  |
| Argentina .....                  | 0.06                    | 0.70             | 2.99             | 0.29                    | 0.58             | 0.17             |
| Brazil .....                     | 0.07                    | 4.35             | 7.49             | 0.14                    | 0.45             | 0.14             |
| Central America, n.e.s. ....     | —                       | —                | —                | 2.47                    | 10.57            | 11.92            |
| Cuba .....                       | 0.54                    | 1.45             | 0.06             | 0.31                    | 1.60             | 1.85             |
| Haiti .....                      | —                       | —                | —                | 0.14                    | 0.88             | 0.45             |
| Mexico .....                     | 0.07                    | 0.08             | —                | 0.19                    | 0.83             | 1.25             |
| South America, n.e.s. ....       | 0.08                    | 0.75             | 1.34             | 0.85                    | 3.98             | 3.86             |
| U.S.A. ....                      | 48.40                   | 203.10           | 240.62           | 24.45                   | 123.77           | 70.17            |
| Venezuela .....                  | —                       | —                | —                | 1.36                    | 5.41             | 3.78             |
| Oceania                          |                         |                  |                  |                         |                  |                  |
| United States Oceania .....      | 0.02                    | 0.04             | 0.06             | 2.64                    | 11.80            | 12.55            |
| Oceania, n.e.s. ....             | 0.05                    | 0.20             | 0.23             | 1.24                    | 5.26             | 4.68             |
| Postal Packages .....            | 1.89                    | 8.01             | —                | 1.14                    | 4.70             | —                |
| Total Merchandise .....          | 370.17                  | 1,876.49         | 2,298.31         | 230.47                  | 1,168.26         | 1,352.60         |
| Total Gold and Specie .....      | 8.95                    | 144.14           | 150.49           | 7.45                    | 136.06           | 155.99           |
| Grand Total .....                | 379.12                  | 2,020.63         | 2,448.80         | 237.92                  | 1,304.32         | 1,508.60         |



**IMPORTS AND EXPORTS**
*(BY COMMODITIES)*

| Commodity   | May<br>1958   | Jan./May<br>1958 | Jan./May<br>1957 | May<br>1958   | Jan./May<br>1958 | Jan./May<br>1957 |
|---|---------------|------------------|------------------|---------------|------------------|------------------|
|   | IMPORTS       |                  |                  | EXPORTS       |                  |                  |
|   | HK\$ Million  |                  |                  | HK\$ Million  |                  |                  |
| Live animals .....  | 19.35         | 87.15            | 63.84            | 0.15          | 0.54             | 0.25             |
| Meat and meat preparations .....  | 2.98          | 21.44            | 33.29            | 0.34          | 3.68             | 4.91             |
| Dairy products .....  | 11.17         | 44.22            | 48.37            | 2.34          | 8.08             | 6.31             |
| Fish and fish preparations .....  | 9.57          | 42.58            | 37.60            | 3.55          | 17.57            | 13.10            |
| Cereals .....   | 31.66         | 145.53           | 124.64           | 1.65          | 13.74            | 21.85            |
| Fruits and vegetables .....   | 19.87         | 91.33            | 98.85            | 8.21          | 49.82            | 58.62            |
| Sugar and sugar preparations .....  | 3.93          | 32.24            | 43.76            | 2.61          | 19.12            | 21.86            |
| Coffee, tea, cocoa and spices .....   | 4.09          | 19.53            | 25.95            | 1.45          | 8.86             | 14.34            |
| Feeding stuffs for animals .....  | 0.43          | 2.58             | 4.23             | 0.22          | 0.91             | 1.29             |
| Miscellaneous food preparations .....   | 3.45          | 13.44            | 14.96            | 2.50          | 11.81            | 13.43            |
| Beverages .....   | 2.79          | 11.26            | 14.19            | 0.72          | 3.76             | 4.75             |
| Tobacco and tobacco manufactures .....  | 5.07          | 29.79            | 30.44            | 1.15          | 4.97             | 4.42             |
| Hides, skins and fur skins, undressed ..  | 0.87          | 2.85             | 7.27             | 0.51          | 2.41             | 6.36             |
| Oil seeds and oil nuts .....  | 1.32          | 9.59             | 18.07            | 0.29          | 3.09             | 11.09            |
| Crude rubber, including synthetic .....   | 1.14          | 6.46             | 7.22             | 0.25          | 0.79             | 0.69             |
| Wood, lumber and cork .....   | 5.08          | 27.06            | 33.03            | 0.87          | 4.66             | 4.14             |
| Pulp and waste paper .....  | 0.07          | 0.79             | 2.52             | 0.09          | 0.38             | 1.65             |
| Textile fibres and waste .....  | 22.72         | 109.17           | 154.57           | 2.71          | 11.82            | 52.97            |
| Crude fertilizers and crude minerals ..   | 0.89          | 4.38             | 3.99             | 0.25          | 1.86             | 2.16             |
| Ores and metal scrap .....  | 0.60          | 2.95             | 29.74            | 3.72          | 15.83            | 52.48            |
| Animal and vegetable crude materials ..   | 8.90          | 54.44            | 88.80            | 8.42          | 41.76            | 55.30            |
| Mineral fuels, lubricants and related<br>materials .....                              | 18.75         | 91.40            | 88.45            | 0.34          | 1.48             | 3.23             |
| Animal and vegetable oils (not essential<br>oils), fats, greases and derivatives .... | 2.84          | 25.92            | 34.74            | 1.70          | 8.97             | 14.95            |
| Chemical elements and compounds .....   | 4.09          | 18.97            | 25.19            | 1.63          | 7.64             | 9.20             |
| Mineral tar and crude chemicals .....   | 0.16          | 0.32             | 0.31             | —             | 0.01             | 0.14             |
| Dyeing, tanning and colouring materials   | 4.90          | 24.37            | 23.17            | 4.84          | 24.12            | 22.15            |
| Medicinal and pharmaceutical products   | 7.23          | 40.00            | 29.01            | 6.25          | 32.81            | 25.31            |
| Perfume materials and cleansing pre-<br>parations .....                               | 4.35          | 15.95            | 19.02            | 1.50          | 7.91             | 11.26            |
| Fertilizers, manufactured .....   | 0.10          | 0.39             | 3.54             | 0.01          | 0.06             | 4.41             |
| Explosives and miscellaneous chemical<br>products .....                               | 7.13          | 35.20            | 30.69            | 1.34          | 9.47             | 7.37             |
| Leather, leather manufactures and<br>dressed furs .....                               | 1.97          | 8.56             | 10.61            | 0.33          | 1.15             | 0.75             |
| Rubber manufactures .....   | 0.82          | 5.37             | 6.68             | 0.18          | 1.82             | 2.25             |
| Wood and cork manufactures (excluding<br>furniture) .....                             | 1.11          | 6.90             | 4.33             | 0.40          | 1.85             | 1.70             |
| Paper, paperboard and manufactures<br>thereof .....                                   | 9.07          | 45.78            | 60.24            | 3.58          | 17.31            | 20.86            |
| Textile yarn, fabrics and made-up<br>articles .....                                   | 57.63         | 305.88           | 399.80           | 54.72         | 280.62           | 326.55           |
| Non-metallic mineral manufactures ....  | 7.67          | 40.76            | 38.64            | 3.00          | 16.08            | 18.02            |
| Silver, platinum, gems and jewellery ....   | 9.49          | 43.22            | 45.72            | 2.75          | 12.28            | 11.26            |
| Base metals .....   | 13.70         | 71.61            | 216.40           | 5.14          | 20.51            | 71.46            |
| Manufactures of metals .....  | 6.11          | 27.04            | 32.07            | 10.14         | 50.31            | 55.10            |
| Machinery other than electric .....   | 13.40         | 72.61            | 69.83            | 2.96          | 11.78            | 12.78            |
| Electric machinery, apparatus and ap-<br>pliances .....                               | 8.38          | 40.77            | 40.22            | 3.78          | 17.65            | 13.14            |
| Transport equipment .....   | 5.03          | 39.85            | 50.30            | 2.61          | 16.26            | 17.75            |
| Prefabricated buildings; plumbing, heat-<br>ing and lighting fittings .....           | 0.93          | 4.95             | 6.16             | 4.54          | 20.87            | 29.12            |
| Furniture and fixtures .....  | 0.48          | 2.30             | 2.21             | 3.25          | 16.76            | 18.45            |
| Travel goods .....  | 0.28          | 1.19             | 1.04             | 1.34          | 6.70             | 6.90             |
| Clothing .....  | 4.50          | 22.49            | 20.02            | 41.57         | 212.24           | 169.77           |
| Footwear .....  | 0.93          | 4.09             | 2.42             | 7.88          | 40.78            | 34.40            |
| Scientific instruments; photographic &<br>optical goods; watches and clocks ....      | 13.31         | 74.35            | 100.53           | 3.58          | 16.96            | 15.98            |
| Miscellaneous manufactured articles,<br>n.e.s. ....                                   | 8.01          | 39.28            | 41.51            | 17.84         | 83.28            | 76.06            |
| Postal packages, not classified according<br>to kind .....                            | 1.89          | 8.01             | —                | 1.14          | 4.70             | —                |
| Live animals, not for food .....  | 0.04          | 0.15             | 0.12             | 0.12          | 0.40             | 0.31             |
| Gold and specie .....   | 8.95          | 144.14           | 150.49           | 7.45          | 136.06           | 155.99           |
| <b>Total .....</b>  | <b>379.12</b> | <b>2,020.63</b>  | <b>2,448.80</b>  | <b>237.92</b> | <b>1,304.32</b>  | <b>1,508.60</b>  |

## EXPORTS OF HONGKONG PRODUCTS (BY COUNTRIES)

| Country                             | May<br>HK\$<br>1958 | Jan./May<br>HK\$<br>1958 | Jan./May<br>HK\$<br>1957 |
|-------------------------------------|---------------------|--------------------------|--------------------------|
| <b>British Commonwealth</b>         |                     |                          |                          |
| Aden .....                          | 543,803             | 2,676,627                | 3,061,809                |
| Australia .....                     | 3,397,136           | 14,606,292               | 12,393,029               |
| Br. Borneo .....                    | 1,234,793           | 4,920,794                | 5,097,863                |
| Br. E. Africa .....                 | 1,943,091           | 8,832,871                | 10,248,639               |
| Br. Mediterranean Territories ..... | 426,756             | 2,043,532                | 2,939,520                |
| Br. Oceania, n.e.s. ....            | 98,773              | 446,535                  | 648,048                  |
| Br. W. Africa, n.e.s. ....          | 1,014,200           | 4,750,840                | 8,423,866                |
| Br. W. Indies .....                 | 1,705,022           | 6,396,690                | 6,502,501                |
| Canada .....                        | 1,885,286           | 11,664,241               | 8,861,436                |
| Central African Federation .....    | 713,533             | 2,899,460                | 4,578,498                |
| Ceylon .....                        | 849,153             | 2,696,223                | 3,034,213                |
| Fiji .....                          | 365,668             | 1,436,567                | 529,535                  |
| India .....                         | 70,403              | 245,964                  | 1,385,289                |
| Malaya .....                        | 8,743,180           | 47,612,268               | 41,693,100               |
| Mauritius .....                     | 534,581             | 1,817,521                | 1,283,522                |
| New Zealand .....                   | 212,756             | 2,752,325                | 3,545,369                |
| Nigeria .....                       | 2,038,407           | 13,667,798               | 8,872,673                |
| Pakistan .....                      | 72,376              | 432,906                  | 383,866                  |
| Union of S. Africa .....            | 2,075,982           | 10,867,616               | 14,141,328               |
| United Kingdom .....                | 26,009,039          | 139,151,642              | 113,475,741              |
| Br. Commonwealth, n.e.s. ....       | 23,462              | 78,852                   | 38,783                   |
| <b>Asia</b>                         |                     |                          |                          |
| Burma .....                         | 431,295             | 2,377,342                | 8,302,530                |
| Cambodia .....                      | 571,180             | 1,916,328                | 1,891,521                |
| China .....                         | 62,803              | 190,722                  | 2,647,447                |
| Taiwan .....                        | 39,274              | 373,339                  | 1,276,176                |
| Indonesia .....                     | 6,414,588           | 21,885,983               | 46,987,350               |
| Japan .....                         | 899,134             | 2,777,205                | 3,054,341                |
| Laos .....                          | 747,919             | 3,261,924                | 7,793,154                |
| Macao .....                         | 524,702             | 2,433,346                | 2,783,041                |
| Middle and Near East .....          | 2,040,201           | 8,836,567                | 7,000,250                |
| North Vietnam .....                 | 4,139               | 128,351                  | 25,361                   |
| Philippines .....                   | 2,578,306           | 9,496,626                | 15,646,728               |
| South Korea .....                   | 9,365               | 2,246,809                | 415,130                  |
| South Vietnam .....                 | 160,159             | 802,602                  | 500,285                  |
| Thailand .....                      | 3,680,023           | 17,728,959               | 20,396,638               |
| Asia, n.e.s. ....                   | 7,029               | 399,672                  | 719,971                  |
| <b>Europe</b>                       |                     |                          |                          |
| Austria .....                       | 6,150               | 22,748                   | 2,150                    |
| Belgium .....                       | 304,419             | 1,747,146                | 1,268,788                |
| Denmark .....                       | 109,177             | 1,112,229                | 1,346,349                |
| France .....                        | 478,633             | 1,479,117                | 2,175,895                |
| West Germany .....                  | 3,386,860           | 14,631,276               | 6,929,312                |
| Italy .....                         | 323,206             | 1,066,659                | 441,749                  |
| Netherlands .....                   | 784,317             | 4,068,318                | 3,112,997                |
| Norway .....                        | 457,100             | 2,720,940                | 1,213,143                |
| Sweden .....                        | 882,651             | 4,545,510                | 3,068,624                |
| Switzerland .....                   | 166,201             | 799,901                  | 253,226                  |
| Europe, n.e.s. ....                 | 176,922             | 648,736                  | 279,613                  |
| <b>Africa</b>                       |                     |                          |                          |
| Belgian Congo .....                 | 825,545             | 2,919,630                | 5,799,245                |
| Egypt .....                         | 229                 | 6,686                    | 20,425                   |
| Fr. Equatorial & W. Africa .....    | 1,923,667           | 11,316,145               | 10,236,151               |
| Fr. N. Africa .....                 | 88,670              | 318,803                  | 1,231,779                |
| Madagascar .....                    | 165,552             | 1,032,079                | 2,062,092                |
| Africa, n.e.s. ....                 | 1,300,024           | 6,516,890                | 11,577,572               |
| <b>America</b>                      |                     |                          |                          |
| Argentina .....                     | 74,978              | 125,135                  | 14,641                   |
| Brazil .....                        | 100,467             | 376,176                  | 12,405                   |
| Central America, n.e.s. ....        | 1,675,883           | 7,168,545                | 8,677,424                |
| Cuba .....                          | 154,031             | 869,616                  | 875,662                  |
| Haiti .....                         | 111,126             | 752,164                  | 366,001                  |
| Mexico .....                        | 45,010              | 411,071                  | 954,574                  |
| South America, n.e.s. ....          | 235,974             | 1,868,388                | 2,306,945                |
| U.S.A. ....                         | 17,279,882          | 85,945,017               | 47,126,465               |
| Venezuela .....                     | 994,504             | 3,998,661                | 2,696,257                |
| <b>Oceania</b>                      |                     |                          |                          |
| United States Oceania .....         | 1,240,797           | 5,816,053                | 5,729,253                |
| Oceania, n.e.s. ....                | 710,666             | 2,660,214                | 2,600,939                |
| <b>Total:</b> .....                 | <b>106,180,163</b>  | <b>519,797,192</b>       | <b>492,958,227</b>       |

## TRADE REPORTS

(Continued from Page 824)

Boat Festival but the stimulation was not sustained towards weekend. Trading in white rice, both broken and whole, was quiet. Prices were steady because imports from Thailand were curtailed and supply from China was limited to small quantities.

**Wheat Flour**—More supply arrived from Canada, Australia and Japan. Prices continued weak because exports remained quiet. Dealers reported that China will soon send wheat flour to the local market at prices even cheaper than Japanese products. West Germany may also ship wheat flour to HK in the near future.

**Sugar**—Singapore absorbed more Chinese sugar from here but prices continued to dip because indents from Canton were further marked down to compete with Taiwan products.

**Cement**—Slow local demand and sluggish exports depressed the market. Supply from China, Japan and other sources far exceeds demand at present. Prospects are uncertain. Green Island products were marked down to meet the mounting competition from imported brands.

## NEW COMPANIES IN HONGKONG

Following new limited liability companies were incorporated during the fortnight ended May 3, 1958 (all capital is nominal and in Hongkong Dollars:—

**Gold Star Line**—Ship owners; Capital, 500,000; 1 Des Voeux Road Central, Hongkong; Subscribers: Paul Biro, 8 Clovelly Path, Hongkong, merchant; Shalom Fritz Klinghofer, 116A Pokfulam Road, Hongkong, merchant.

**Doran Bros.**—Mechanical engineers; Capital, 50,000; Corner of Sung Wong Toi and To Kwa Wan Road, Kowloon; Subscribers: A. R. Doran, 25 Oxford Road, Kowloon Tsai, merchant; C. W. V. Doran, 90 Old South Head Road, Vaucluse, Sydney, Australia, merchant; J. P. Doran, 25 Oxford Road, Kowloon Tsai, merchant.

**Hongkong and Asiatic Shipping and Trading Co.**—Capital, 500,000; 1 Des Voeux Road Central, Hongkong; Subscribers: Arthur Burton Weller, 457 Barker Road, Hongkong, merchant; P. A. L. Vine, 4 The Peak, Hongkong, solicitor.

**Victoria Enterprises**—Keepers of hotel & restaurant; Capital, 500,000; Wang Hing Building, Hongkong; Subscribers: Mrs Lina Li, 10 Queen's Road Central, Hongkong, merchant; Jeffrey T. C. Li, same address, Hongkong, merchant.

**Winglee Penn & Co.**—Importers & exporters; Capital, 20,000; Tai Ping Building, Hongkong; Subscribers: T. M. King, 209 Prince



EXPORTS OF HONGKONG PRODUCTS  
(BY COMMODITIES)

Edward Road, Kowloon, merchant; Wu Bo-Kuen, 6 Kai Yuen Terrace, Hongkong, housewife. **Ensign Agency Corporation (H.K.)**—Importers & exporters; Capital, 350,000; Subscribers: R. E. Low, 2 Queen's Road Central, Hongkong, solicitor; Lee Man Kit, 2 Queen's Road Central, Hongkong, interpreter. **Shiu Lee Co.**—To invest in real estate; Capital, 300,000; Marina House, Hongkong; Subscribers: Lee Shiu Kee, 506c Kwok Man House, Hongkong, merchant; Ip Ching Ping, 607 China Building, Hongkong, merchant; Fong Yun Wah, 31 South Bay Road, Hongkong, merchant; Ng Tor Tai, 50 Hillwood Road, Kowloon, merchant. **Tsun Wan Press**—Publishers of periodicals; Capital, 1,000,000; 301 Chinese General Chamber of Commerce Building, Hongkong; Subscribers: Ko Chuk Hung, 6 Chester Road, Kowloon, merchant; Ling Ai-Ming, 74 Village Road, Hongkong, merchant. **The Sun Shine Industrial Co.**—Importers & exporters; Capital, 600,000; 303 Great China House, Hongkong; Subscribers: Tung Leung, 71 Blue Pool Road, Hongkong, merchant; Ha Mui Chang, 71 Blue Pool Road, Hongkong, housewife. **Chung Kiu Chinese Products Emporium**—Importers & exporters; Capital, 2,000,000; 582-586, Nathan Road, Kowloon; Subscribers: Sun Sheng Tsang, 161 Des Voeux Road, Hongkong, merchant; Shieh Hsing Tsi, 4 Fort Street, Hongkong, merchant. **The Prudential Enterprise**—Importers & exporters; Capital, 5,000,000; 156/158 Des Voeux Road Central, Hongkong; Subscribers: Lee Man Wah, 157 Argyle Street, Kowloon, merchant; Lee Chai Chong, 156 Des Voeux Road, Central, Hongkong, merchant.

| Commodity   | May<br>HK\$<br>1958 | Jan./May<br>HK\$<br>1958 | Jan./May<br>HK\$<br>1957 |
|---|---------------------|--------------------------|--------------------------|
| Fish in airtight containers .....   | 164,828             | 739,690                  | 924,704                  |
| Fruits, preserved .....   | 967,857             | 5,135,318                | 5,227,395                |
| Jams and fruit jellies .....  | 140                 | 240                      | 321                      |
| Fruit juices, unfermented .....   | 60,648              | 125,866                  | 155,995                  |
| Ginger, preserved .....   | 547,942             | 4,001,338                | 3,687,895                |
| Non-alcoholic beverages .....   | 124,384             | 298,786                  | 236,905                  |
| Beer .....  | 2,491               | 10,746                   | 2,274                    |
| Cigarettes .....  | 556,197             | 2,033,843                | 605,019                  |
| Iron ore .....  | 376,169             | 1,759,554                | 1,867,048                |
| Tungsten ore .....  | —                   | 23,400                   | 31,500                   |
| Seagrass .....  | 12,304              | 33,410                   | 34,329                   |
| Lacquers and varnishes .....  | 311,782             | 1,190,939                | 1,399,210                |
| Paints, enamels, and mastics .....  | 986,957             | 4,863,944                | 5,498,439                |
| Cotton yarn .....   | 10,324,203          | 34,082,275               | 49,865,029               |
| Cotton piecegoods .....   | 18,713,189          | 92,632,653               | 87,654,371               |
| Towels, not embroidered .....   | 1,608,081           | 5,976,577                | 5,153,824                |
| Linen, embroidered .....  | 1,016,897           | 6,176,380                | 4,964,600                |
| Cement .....  | 503,264             | 3,965,230                | 2,388,430                |
| Vacuum flasks (glass inners only) ..  | 110,656             | 369,193                  | 103,172                  |
| Iron and steel bars .....   | 705,393             | 2,403,391                | 4,255,218                |
| Household utensils, enamelled .....   | 5,132,977           | 27,485,336               | 29,468,214               |
| Household utensils, aluminium .....   | 641,758             | 2,898,232                | 3,772,594                |
| Torch batteries .....   | 706,724             | 4,594,033                | 3,490,424                |
| Torch bulbs .....   | 473,631             | 1,811,469                | 1,670,825                |
| Electric torches .....  | 2,751,126           | 10,953,712               | 18,500,378               |
| Lanterns, metal .....   | 974,710             | 6,206,907                | 6,221,519                |
| Wood furniture and fixtures .....   | 945,054             | 3,898,211                | 3,506,780                |
| Furniture of vegetable plating<br>materials (bamboo, straw, willow,<br>etc.) .....  | 1,924,911           | 11,810,569               | 14,532,559               |
| Travel goods (trunks, suitcases,<br>travelling bags, dressing cases,<br>shopping bags, haversacks, packs<br>and similar articles) of all mate-<br>rials ..... | 798,554             | 4,254,694                | 3,825,300                |
| Handbags, wallets, purses and simi-<br>lar articles of all materials .....  | 542,007             | 2,449,403                | 3,078,112                |
| Stockings and hose .....  | 929,125             | 4,762,128                | 5,549,931                |
| Cotton singlets .....   | 2,933,971           | 14,415,159               | 17,562,123               |
| Underwear and nightwear, knit or<br>made of knitted fabrics (except<br>cotton singlets and shirts) .....  | 3,342,536           | 16,818,322               | 11,860,517               |
| Outerwear, knit or made of knitted<br>fabrics .....   | 771,763             | 3,383,928                | 2,617,446                |
| Underwear and nightwear, em-<br>broidered .....   | 72,607              | 890,540                  | 1,469,659                |
| Shirts .....  | 6,315,827           | 29,061,780               | 33,643,029               |
| Outerwear, embroidered .....  | 506,470             | 2,797,237                | 3,721,946                |
| Outerwear, other than knitted, not<br>embroidered, n.e.s. .....   | 15,740,825          | 87,880,163               | 46,966,467               |
| Clothing of rubberized, oiled and<br>similar impermeable materials<br>(including plastics) .....  | 893,505             | 4,148,292                | 4,816,562                |
| Gloves and mittens of all materials<br>(except rubber gloves) .....   | 3,633,020           | 19,063,175               | 19,483,076               |
| Articles of clothing (e.g., handker-<br>chiefs, shawls, etc.), embroidered,<br>n.e.s. .....   | 645,282             | 2,592,879                | 1,736,791                |
| Footwear .....  | 7,722,511           | 40,035,877               | 34,089,031               |
| Matches .....   | 295,726             | 971,018                  | 394,860                  |
| Umbrellas, parasols, walking sticks,<br>and similar articles .....  | 1,076,705           | 4,576,861                | 5,384,318                |
| Buttons and studs of all materials<br>except those of precious metals ..  | 1,429,505           | 6,503,165                | 8,096,703                |
| Plastic articles .....  | 845,819             | 4,132,861                | 4,606,489                |
| Articles of basketware or of wicker-<br>work, n.e.s. .....  | 800,449             | 4,827,757                | 4,258,041                |
| Toys and games (including baby car-<br>riages, playing cards) .....   | 5,412,652           | 27,159,273               | 20,392,569               |
| Vacuum flasks, complete .....   | 827,031             | 3,591,438                | 3,186,286                |
| <b>Total:</b> .....   | <b>106,180,163</b>  | <b>519,797,192</b>       | <b>492,958,227</b>       |